

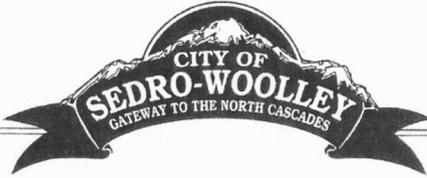
CITY OF SEDRO-WOOLLEY



**Riverfront Park
Sedro-Woolley Rotary Amphitheatre – Dedicated August 28, 2008**

**Mike Anderson, Mayor
Patsy Nelson, CPA, Finance Director**

Final Budget 2009



Mike Anderson
Mayor

2009 Budget Message

To the Citizens of Sedro-Woolley:

Last year, I began my message with the following statement: "As we witness the broader economy slow, it is imperative that our City budget focus on economic development and fiscal restraint for non-critical spending." I did not imagine that our national economic conditions would deteriorate so badly and impact our community here in Sedro-Woolley. But they have. My proposed 2009 budget makes significant cuts that ensure the basic services remain in tact, insure continued investment in infrastructure to position the City well for future growth, and most importantly does not include any property tax increase. My top objective for 2008 was economic development and while we were not successful in 2008 in attracting significant new businesses to Sedro-Woolley, this must continue to be at the top of our agenda as we work to fund the programs desired by our residents without piling tax increase after tax increase upon them.

As approved, the 2009 budget includes no new employees, but also no cuts to existing employees. My goal is to keep the City positioned to weather the economic downturn and emerge prepared to grow and prosper as the broader economy improves.

Specific objectives include: almost \$1M to support the F&S and SR 20 project (\$3.2M total project cost); \$475K for sidewalks in the City which includes the Township sidewalk project; \$600K for the McGarigle/Fruitdale reconstruction (\$5M total project cost); \$200,000 for additional CIPP in 2009; \$650K for the Fruitdale sewer project to be built in conjunction with the McGarigle/Fruitdale reconstruction project; and \$30K for a new police vehicle.

This budget represents the City's policy objectives for the coming year; if it is missing something important to you, or if you have any questions about it, please feel free to come and see me at City Hall.

Sincerely,

CITY OF SEDRO-WOOLLEY

A handwritten signature in black ink, appearing to read "Mike Anderson", is written over the printed name.

Mike Anderson, Mayor

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CITY OFFICIALS

COUNCILMEMBERS

Ted Meamber, Council Ward 1
820 Trail Road, Sedro-Woolley
(360) 856-0203 (H)
Term Exp: December 31, 2011

Tony Splane, Council Ward 2
714 Sapp Road, Sedro-Woolley
(360) 856-4984 (H)
Term Exp: December 31, 2009

Thomas E. Storrs, Council Ward 3
211 Talcott St., Sedro-Woolley
(360) 855-1293 (H)
Term Exp: December 31, 2009

Pat Colgan*, Council Ward 4
415 State Street, Sedro-Woolley
(360) 982-2516 (H) (360) 202-1338 (C)
Term Exp: December 31, 2011

Hugh Galbraith, Council Ward 5
941 Alderwood Lane, Sedro-Woolley
(360) 856-5946 (H)
Term Exp: December 31, 2011

Rick Lemley, Council Ward 6
1208 Talcott Street, Sedro-Woolley
(360) 855-1288 (W) (360) 856-1224 (H)
Term Exp: December 31, 2009

Dennis London, Council At Large
208 W. Nelson, Sedro-Woolley
(360) 856-6135 (H) (360) 421-4521 (C)
Term Exp: December 31, 2009

* Mayor Pro-Tem

MAYOR

Mike Anderson
Term Exp: December 31, 2011

City Supervisor/Attorney

Eron Berg

DEPARTMENT DIRECTORS

Finance Director

Patsy K. Nelson, CPA

Director of Public Works/City Engineer

Mark A. Frieberger, P.E.

Planning Director & Building Official

Jack R. Moore, BCO

Police Chief

Doug Wood

Fire Chief

Dean Klinger

Library Director

Debra Peterson

IT Director

Bill Chambers

Municipal Court

Brian Stiles, Judge

COUNCIL COMMITTEE ASSIGNMENTS

In addition to serving on the City Council, Councilors also represent the citizens of Sedro-Woolley on various Council committees. Each year the Mayor appoints committee chair and membership positions and the Council confirms these appointments.

The committees handle numerous issues throughout the year, some of which will go on to the Council for consideration.

As the committees discuss issues, they generally make a recommendation to the Council for action. This recommendation is only a suggestion to the Council. The full Council will vote on issues brought before them and may or may not vote according to the Committee recommendation.

The City Supervisor generally attends Committee meetings as a liaison to Council Committees. Other Staff members attend as needed.

PUBLIC SAFETY COMMITTEE

The Public Safety Committee addresses with law enforcement, fire services, animal control, code enforcement, emergency management, and other public safety concerns. Councilmembers serving on the Public Safety Committee are: Ted Meamber – Chair, Pat Colgan and Rick Lemley.

FINANCE COMMITTEE

The Finance Committee addresses fiscal issues including appropriations, expenditures and budget adjustments. Councilmembers serving on the Finance

Committee are Chair – Hugh Galbraith, Tony Splane and Ted Meamber.

UTILITY COMMITTEE

The Utility Committee is responsible for addressing sewer, storm drainage and solid waste issues, related construction projects, and recommendations on rates and fees. Councilmembers serving on the Utility Committee are Rick Lemley – Chair, Hugh Galbraith and Dennis London.

PARKS & RECREATION COMMITTEE

The Parks and Recreation Committee addresses long-term and short-term issues relating to the City's parks. This committee acts as liasons to the Park and Recreation Advisory Board and serves as ex-officio non-voting members of the board. Councilmembers serving on the Parks & Recreation Committee are Pat Colgan – Chair, Ted Meamber and Thomas Storrs.

PERSONNEL COMMITTEE

The Personnel Committee addresses human resource issues for the City, providing direction on personnel policies, negotiations and other significant issues. Councilmembers serving on the Personnel Committee are Dennis London – Chair, Thomas Storrs and Rick Lemley.

PLANNING COMMITTEE

The Planning Committee is involved with permitting policies as well as long-term planning. This Committee also acts as a liaison to the Planning Commission. Councilmembers serving on the Planning Committee are Thomas Storrs – Chair, Pat Colgan and Tony Splane.

CITIZENS ADVISORY GROUPS

CIVIL SERVICE COMMISSION

Robbie Robinson, Chairman
Brock Stiles, Chief Examiner
Winnie Floyd, Secretary Examiner
Michael Janicki
Bill McCann

EMERGENCY SERVICES COMMITTEE

Mike Anderson, Mayor
Dean Klinger, Fire Chief
Chet Griffith, SWSD Transportation Director
Mike Riddle, SWSD Facilities Director
Doug Wood, Police Chief

HOUSING AUTHORITY

Fay Huggins	12/31/11*
Kacy Johnson	12/31/09*
K.B. Johnson	12/31/10*
Vacant	12/31/12*
Vacant	

LIBRARY BOARD

Mick Boroughs, Chair	12/31/13*
Gloria Brown	12/31/09*
Dagni Cole	12/31/11*
Beverly Ringhouse	12/31/11*
Sharon Whiting	12/31/09*

LODGING TAX ADVISORY COMMITTEE 2008

Rick Lemley, Chairman
James Montgomery, Skagit Motel
Stacy Hicks, Three Rivers Inn
David Bricka, Chamber of Commerce
Jeanne McLennan, Loggerodeo

PARK AND RECREATION ADVISORY BOARD

To Be Established

PLANNING COMMISSION

Patrick Huggins	12/31/13*
Terry Carter	12/31/09*
Jim Johnson	12/31/14*
Tom Peterson	12/31/12*
Brett Sandström	12/31/10*
Rick Judd	12/31/10*
Tom Gardner	12/31/11*

* Term Expires

BUDGET OVERVIEW

The City of Sedro-Woolley provides general governmental services authorized by state law, including public safety, streets, parks and recreation, planning and zoning, permits and inspections, general administration, sewer and storm services, garbage and library services.

Budgeting is an essential element of the financial planning, control and evaluation processes of government. The planning process involves determining the types and levels of services to be provided and allocating available resources among various departments, programs or functions.

Financial control and evaluation procedures typically focus upon assuring that fixed expenditure limitations (appropriations) are not exceeded, and on comparing estimated and actual revenues and expenditures.

The budget authorizes and provides control of financial operations during the fiscal year. Upon adoption, the expenditure estimate, as modified by the Council, are enacted into law through the passage of an appropriations ordinance.

The appropriations constitute maximum expenditure authorizations during the fiscal year, and cannot be exceeded unless approval by the Council in the form of a budget amendment. Expenditures are monitored through the accounting system to assure budgetary compliance.

The City of Sedro-Woolley's accounting and budgeting systems are organized and operated on a fund basis as required by state law. A fund is defined as a fiscal and accounting entity with a self-balancing set

of accounts recording cash and other financial resources.

The funds are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds are budgeted on a cash basis in accordance with the Revised Code of Washington (RCW) 36.33.

While typically thought of as a financial activity done to satisfy state law, budgeting is a process of planning. Fiscal planning involves all elements of government and is one of the most important functions for city officials.

The process of budgeting will not only allocate fiscal resources to meet needs and provide services, but will set a direction for the future. The elements of good planning include identifying community needs, city resources, the capability to meet community needs, and a plan to match such resources to the needs.

The planning for this document starts with the Council retreat in early summer. At that retreat Council discusses many issues including program priorities and capital project prioritization and timing.

The Mayor's budget is presented to the full Council in November. Two public hearings are scheduled with an adoption date in early December.

Related to this process is the City's Capital Facilities Plan as required by the Growth Management Act (GMA). This plan has significant requirements in the area of facilities planning and capital improvement financing.

The GMA exists to ensure that those public facilities and services necessary to

support development are adequate to serve the development at the time the development is available for occupancy and use, without decreasing current levels of service below locally established minimum standards. The Capital Facilities Plan (CFP) is segregated into major categories: General Governmental, Transportation, Fire Protection, Police Protection, Solid Waste Management, Sewer, Storm Water and Parks and Recreation.

The City adopted a Capital Facilities Plan as part of its Comprehensive Plan. Subsequent Council policy decisions and amendments to the Comprehensive Plan require periodic review and amendments to the Capital Facilities Plan.

This budget document is developed in a manner to study and review the direction of the City of Sedro-Woolley. This document outlines the manner in which financial resources will be managed during the fiscal year.

The course the city is taking can be changed through the allocation of financial resources. The major groups who participate in the budget process are the Mayor, City Supervisor, City Council, Finance Director other department directors, city committees and commissions, city staff, and interested citizens.

A budget document is read by a diverse group of people. The budget attempts to describe clearly and completely the nature and scope of policies, plans and programs for the year. It must communicate this information at different levels and for different purposes. One of the most important functions of the budget document is to describe future

implications and relationships of policies, plans and programs to members of the public. The budget document is an opportunity for the public to acquire background information necessary to provide meaningful comment and feedback to members of the City Council and City staff during the year.

The City of Sedro-Woolley's budget process is designed to provide essential structure for the financial planning, control and evaluation process of government, presenting a forecast of expected resources and the purposeful distribution of those revenues.

Once adopted, the budget is a formal expression of public policy on the City's objectives and priorities and on how resources will be provided to meet those objectives.

State law establishes the budget process and time limits. The calendar of the City of Sedro-Woolley's budget can be found at the end of this document, in the addendum section, at Addendum A.

The budget can be changed (amended) at any time after it is adopted, by the City Council passing another ordinance in an open public meeting. Normally, the budget is reviewed during the year to identify any adjustments.

In the City of Sedro-Woolley, policy begins with general direction provided by the City Council. The City budget process serves the function of creating a framework to implement the policies set forth by that body to administer the City organization and deliver the various services to the community.

Under the general guidance of the City Supervisor, department directors have primary responsibility for formulating budget proposals in line with Council priorities.

Budget policy begins with an understanding of the needs and issues important to the community that the government serves. General goals and priorities are identified in order to apply the available financial resources of the City for specific funding proposals. Previous budgets are considered in this process, thereby providing continuity with previous program goals.

FINANCIAL STABILITY POLICY

The City will strive to maintain a reserved fund balance in each fund of 8% or 1/12th of the annual revenues to provide a fiscal cushion that meets seasonal cash flow shortfalls, and assists in facing unpredictable economic downturns.

REVENUE POLICY

The City will estimate its annual revenues by an objective and analytical process, conservative in nature.

CAPITAL BUDGET POLICIES

The city will finance the City's needed capital facilities in an economic, efficient and equitable manner as possible. The burden for financing capital should be borne by the primary beneficiaries of the facility.

DEBT POLICIES

The City will strive to improve its bond rating. The City will maintain adequate available debt capacity for specific priority

projects. The City shall use inter-fund borrowing where such borrowing is effective.

INVESTMENT POLICY

The City will maintain three principals on investments: safety, liquidity and yield, while meeting the daily cash flow needs of the City and conforming to all state statutes governing the investment of public funds.

FINANCIAL REPORTING POLICY

The City will strive to improve reporting and enhance comprehension to the user and reader. The City will perform ongoing monitoring of financial trends and evaluation of financial conditions. The City will maintain a high standard of accounting principles.

OPERATING BUDGET POLICY

The City council will update the citywide priorities each year. The staff will use these priorities for development of the coming year's budget.

The Finance Department is responsible for coordinating all aspects of the budget process on behalf of the City, analyzing department budget information, preparing budget revenue estimates, assembling the budget document and providing overview financial monitoring and reporting once the budget is adopted.

The Finance Department assists in identifying budget problems, formulating solutions and alternatives, and implementing corrective action approved by the City Supervisor, Mayor or City Council.

The City uses a line-item budget development approach and uses that level of detail as a backbone to the actual budget document. However, the budget is formally adopted at the fund level.

This budget seeks to achieve these four interrelated functions:

A POLICY TOOL

The City's budget process is conducted in a manner that allows City officials an opportunity to comprehensively review the direction of the City and to redirect its activities by means of the allocation of financial resources. On this basis, the budget sets policy for the following year. This budget also facilitates the evaluation of City programs by providing a means to measurably examine the financial activities of the City department over time.

AN OPERATIONS GUIDE

The budget provides financial control by setting forth both legislative and administrative guidance to City employees regarding the character and scope of their activities. This direction is set forth in both summary and detail form in the various products of the budget process.

A FINANCIAL PLAN

The budget outlines the manner in which the financial resources of the City will be managed during the budget period. This allocation of resources is based on understanding both the current year's needs and a long-term view of the development of the City's programs. The budget takes into account unforeseen contingencies and provides for the need for periodic adjustments.

AS A COMMUNICATION MEDIUM

This budget provides management information as a comprehensive tabulation of information regarding both the character and scope of City activity. No budget can be effective unless it communicates. Since this budget has a diverse audience, it seeks to communicate at several levels and for several purposes. It seeks to communicate clear policy at a usable level of detail to City employees, to communicate significant policy issues and options in a form that can be acted on by officials, and to communicate the plans of the City to its constituents in a manner which affords them an opportunity to provide meaningful comments to the elected officials.

BUDGET SUMMARY

While the budget planning and adoption process is discussed above, there are many issues that are important to discuss in order to understand the dynamics of this document. For financial and accounting purposes, municipal operations are divided into two broad categories; general governmental and proprietary. Budgets are established for all funds. There are 28 budgeted funds in the city of Sedro-Woolley and they are classified within seven basic fund groups, as described below.

General governmental funds include three funds. The first is the *General Fund* which provides basic City services such as city administration, legislative, legal, personnel services, police, fire, planning, building, zoning, facilities and associated support functions. The resources to support these activities are primarily taxes and user fees.

Special Revenue funds account for the proceeds of specific revenue sources other than special assessments, expendable trusts or major capital projects. These revenues finance particular activities or functions as required by law or administrative regulations.

Debt Services funds accumulate resources and account for the payment of principal and interest for the City's general obligation long-term debt and special assessment debt. The City pledges its full faith and credit for payment of these obligations.

- Resources for redemption of Council –approved (limited) issues are usually from the general property tax levy.
- Resources for payment of special assessment debt are from assessments levied against benefited properties.
- Resources for redemption of revenue bonds are from the sales of goods and services.

The debt service funds are the General Obligation Debt Service Funds, and the Sewer Revenue Bond Funds.

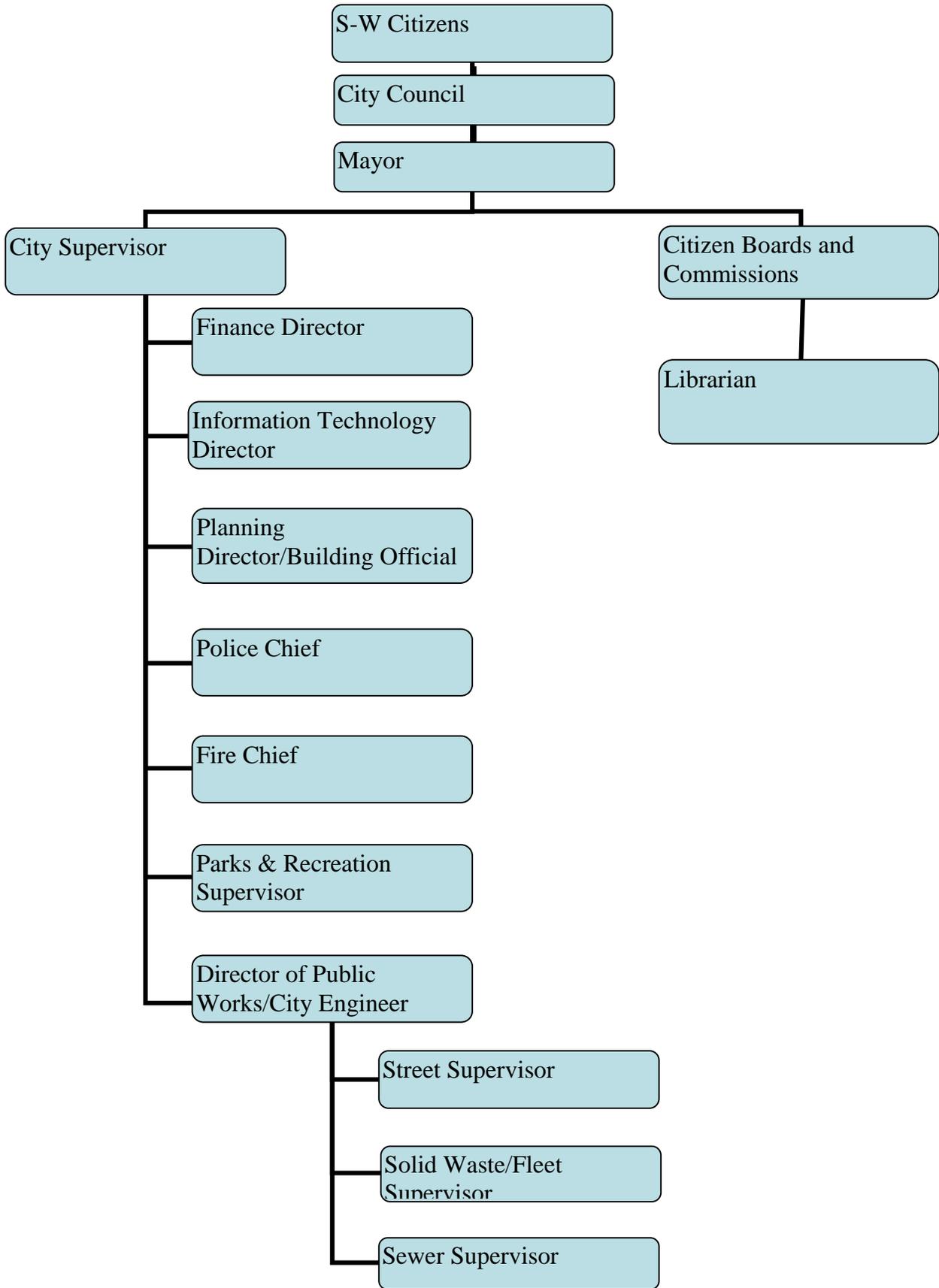
Capital Project funds account for the acquisition or development of major capital facilities, except those projects financed by the enterprise funds. Sources of revenue for these funds can include bond proceeds, federal/state grants, general property taxes, interest earnings, and transfers from other funds.

Enterprise funds are established for government activities that are financed and operate in a manner similar to private business. The user primarily finances costs of providing services to the general public. There are three types of enterprise funds.

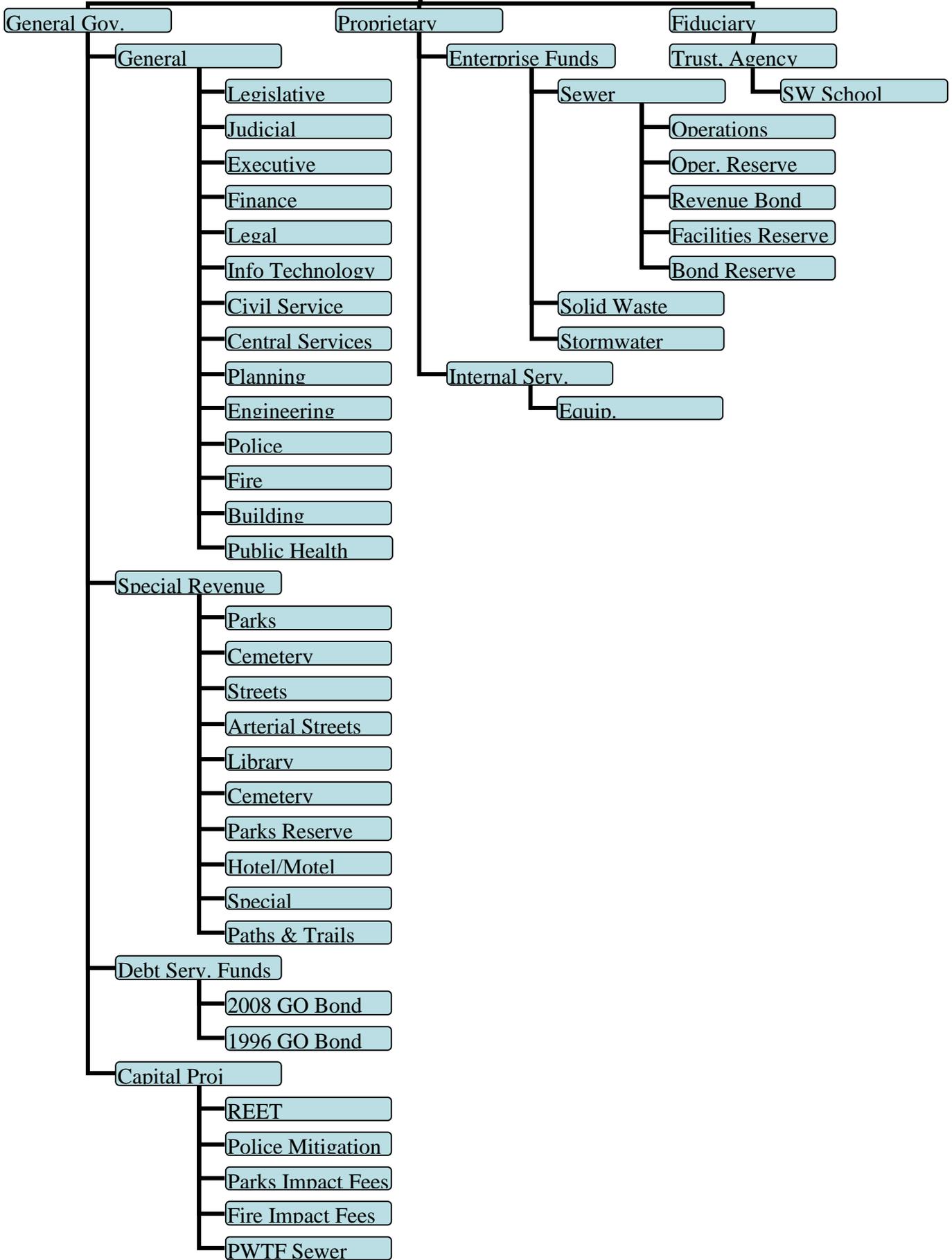
They are the Sewer Fund, Storm Water Fund and Solid Waste Fund.

Internal Service funds account for the financing of goods and services provided by one department or agency to other departments or agencies in the City. The City's internal services fund is the Equipment Replacement Fund.

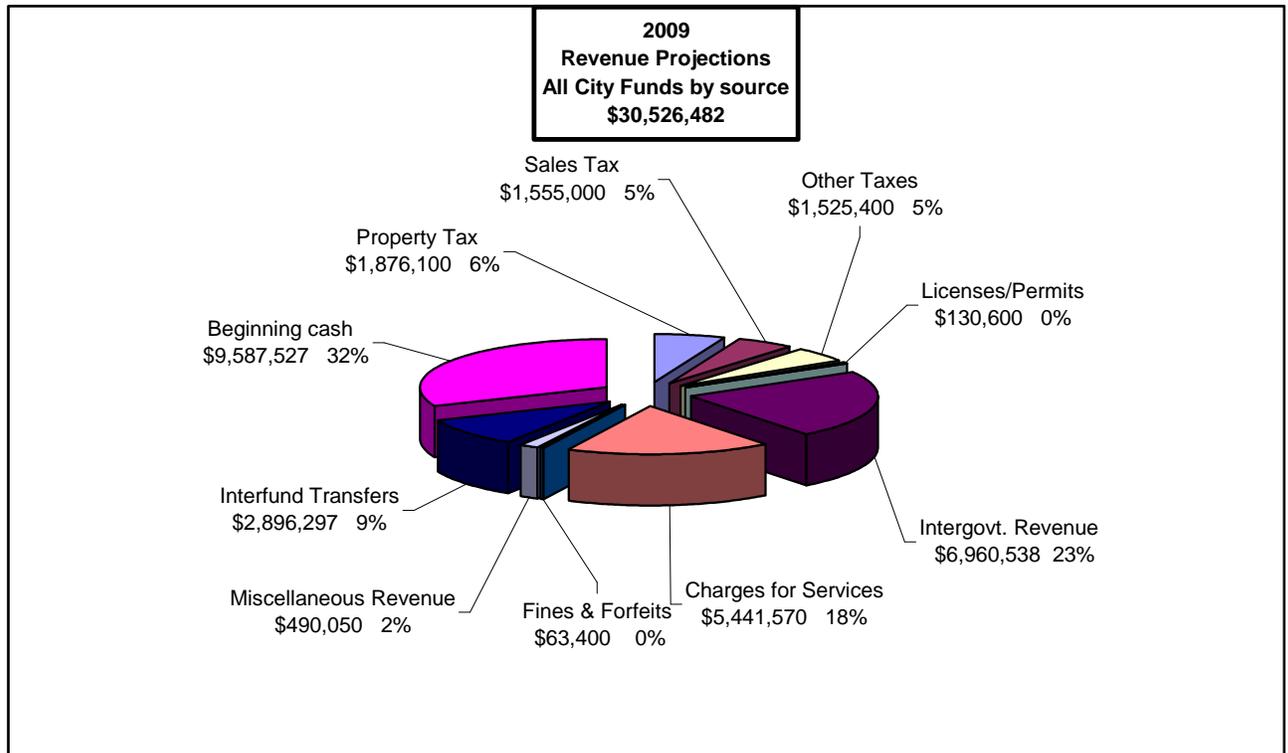
Fiduciary funds include pension trust, expendable trust, and agency funds, which are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City has one of these funds, which accounts for impact fees on behalf of the Sedro-Woolley School District.



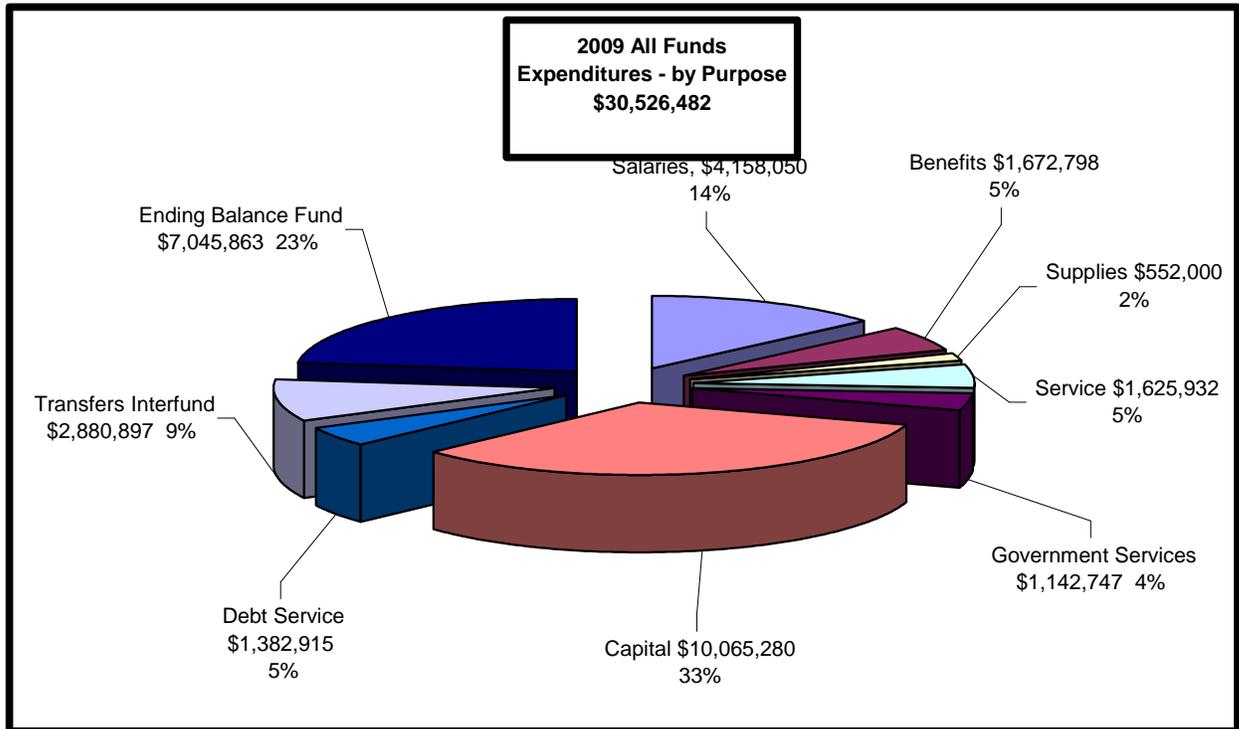
FUND TYPES



City of Sedro-Woolley 2009 Budget											
Revenue Projections - All City Funds (by source)											
Fund Name	Property Tax	Sales Tax	Other Taxes	Licenses/Permits	Intergovt. Revenue	Charges for Services	Fines Forfeits	Misc. Revenue	Interfund Transfers	Beginning Cash	Total
General	547,100	1,410,000	990,400	130,600	393,500	148,770	59,400	52,000	314,850	752,942	4,799,562
Parks	547,500	-	-	-	-	86,400	-	5,000	67,400	83,529	789,829
Cemetery	53,350	-	-	-	-	86,400	-	4,000	-	24,452	168,202
Streets	209,650	145,000	-	-	230,000	-	-	2,000	115,000	111,298	812,948
Arterial Streets	-	-	-	-	6,329,048	196,000	-	90,000	874,002	1,289,147	8,778,197
Library	278,900	-	-	-	6,990	5,600	4,000	500	-	27,127	323,117
Cemetery Endowment	-	-	-	-	-	2,000	-	-	-	123,096	125,096
Cummulative Reserve - Parks	-	-	-	-	-	-	-	950	-	6,789	7,739
Lodging Tax (Tourism)	-	-	30,000	-	-	-	-	800	-	44,952	75,752
Special Investigations	-	-	-	-	-	-	-	100	-	6,309	6,409
Paths & Trails	-	-	-	-	1,000	-	-	900	-	40,078	41,978
2008 GO Bond	-	-	205,000	-	-	-	-	-	-	45,408	250,408
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	205,000	-	-	-	-	-	-	2,500	-	70,454	277,954
Current Expense Reserve	-	-	300,000	-	-	-	-	30,000	-	824,396	1,154,396
Police Mitigation Reserve	-	-	-	-	-	8,900	-	1,000	-	20,185	30,085
Parks Impact Fees	-	-	-	-	-	40,000	-	2,500	-	117,945	160,445
Fire Impact Fees	-	-	-	-	-	20,000	-	2,800	-	109,865	132,665
Sewer Construction - PWTF	-	-	-	-	-	-	-	-	-	761,545	761,545
Sewer Operations	-	-	-	-	-	2,950,800	-	38,600	100,000	279,051	3,368,451
Sewer Operations Reserve	-	-	-	-	-	-	-	3,000	175,000	227,500	405,500
Sewer Debt Service	-	-	-	-	-	7,500	-	6,000	450,000	308,615	772,115
Sewer Facilities Reserve	-	-	-	-	-	300,000	-	95,000	439,165	3,216,887	4,051,052
Sewer Bond Reserve	-	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste	-	-	-	-	-	1,389,200	-	44,800	-	299,106	1,733,106
Stormwater	34,600	-	-	-	-	200,000	-	2,100	-	45,413	282,113
Suspense (SWSD)	-	-	-	-	-	-	-	100,500	-	-	100,500
Equipment Replacement & Fleet	-	-	-	-	-	-	-	5,000	360,880	224,956	590,836
TOTAL	1,876,100	1,555,000	1,525,400	130,600	6,960,538	5,441,570	63,400	490,050	2,896,297	9,587,527	30,526,482



City of Sedro-Woolley 2009 Budget										
Expenditures by Category - All Funds										
Fund Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Debt Service	Transfers Interfund	End. Fund Balance	Total
General	2,283,900	906,853	167,300	631,097	267,927	148,800	-	9,313	384,372	4,799,562
Parks	265,150	109,630	47,400	177,475	1,500	80,100	-	45,401	63,173	789,829
Cemetery	75,700	34,655	14,100	12,605	2,500	-	-	15,134	13,508	168,202
Streets	226,600	105,215	61,700	178,240	60	83,000	-	93,130	65,003	812,948
Arterial Streets	-	-	-	-	3,197	8,414,980	-	-	360,020	8,778,197
Library	169,000	39,800	5,000	42,640	150	35,500	-	4,900	26,127	323,117
Cemetery Endowment	-	-	-	-	-	100,000	-	-	25,096	125,096
Cummulative Reserve - Parks	-	-	-	-	-	1,250	-	-	6,489	7,739
Lodging Tax (Tourism)	-	-	-	40,000	-	-	-	-	35,752	75,752
Special Investigations	-	-	-	1,000	-	-	-	-	5,409	6,409
Paths & Trails	-	-	-	-	-	5,000	-	-	36,978	41,978
2008 GO Bond	-	-	-	-	-	-	150,550	-	99,858	250,408
2008 GO Bond Reserve	-	-	-	-	-	-	-	-	150,000	150,000
1996 GO Bond	-	-	-	-	-	-	207,000	-	70,954	277,954
Current Expense Reserve	-	-	-	-	-	-	-	210,000	944,396	1,154,396
Police Mitigation Reserve	-	-	-	-	-	-	-	30,000	85	30,085
Parks Impact Fees	-	-	-	-	-	-	-	40,000	120,445	160,445
Fire Impact Fees	-	-	-	-	-	-	-	-	132,665	132,665
Sewer Construction - PWTF	-	-	-	-	-	350,000	-	-	411,545	761,545
Sewer Operations	601,600	260,510	133,000	419,600	66,500	502,000	-	1,115,791	269,450	3,368,451
Sewer Operations Reserve	-	-	-	-	-	75,000	-	-	330,500	405,500
Sewer Debt Service	-	-	-	-	-	-	449,100	-	323,015	772,115
Sewer Facilities Reserve	-	-	-	-	-	-	576,265	1,124,002	2,350,785	4,051,052
Sewer Bond Reserve	-	-	-	-	-	-	-	-	376,482	376,482
Solid Waste	339,800	140,805	113,500	115,775	688,413	10,500	-	183,913	140,400	1,733,106
Stormwater	159,200	64,050	7,500	7,500	12,000	-	-	9,313	22,550	282,113
Suspense (SWSD)	-	-	-	-	100,500	-	-	-	-	100,500
Equipment Replacement & Fleet	37,100	11,280	2,500	-	-	259,150	-	-	280,806	590,836
TOTAL	4,158,050	1,672,798	552,000	1,625,932	1,142,747	10,065,280	1,382,915	2,880,897	7,045,863	30,526,482



GENERAL FUND REVENUES

The City's General Fund receives the greatest amount of its operating revenues from a variety of taxes. State law limits those taxes.

PROPERTY TAX

Property Taxes are collected on 100 percent of assessed valuation (A.V.) as determined by the Skagit County Assessor's Office in accordance with state law. The maximum that the City can levy is 101 percent of the highest of the three (3) most recent years' levies, plus the impact of new construction at the previous year's levy rate, plus miscellaneous adjustments.

The new construction assessed value amount for 2009 is estimated at \$25,000,000 as compared to \$19,000,000 in 2008. State statutes do not allow the city to levy more than \$3.375 per \$1,000 of assessed valuation. The City of Sedro-Woolley is well below the statutory limit, and is at \$1.8569 per \$1,000 of assessed valuation for 2009.

In November 2001, the voters of the state approved Initiative 747, which sets limits for annual increases in property taxes to 1% without a vote of the people.

In November of 1997, the voters of the state approved Referendum 47, which sets limits in three areas for property tax:

- 1) The State tax levy increases now annually limited to the lesser of the I.P.D. inflation factor or 1%.
- 2) The 1997 temporary tax reduction was made permanent; and

- 3) A new limit factor for the local jurisdictions on property tax.

As previously stated cities still are limited to 101%, but now there is an inflation factor called an implicit price deflator (IPD). The IPD for personal consumption in the United States is published for the most recent twelve-month period by the Bureau of Economic Analysis of the Federal Department of Commerce in September of the year before the taxes are due.

As the referendum provides, cities may go above the IPD to any percentage up to the 101 percent. In order to levy the full 101 percent, a substantial need must exist, and a resolution or ordinance must be adopted by a supermajority of the City Council. Those provisions of Referendum 47 do not limit Cities under a population of 10,000.

Property Tax Levy Rate by Taxing Entities*

<u>District</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Skagit County	\$ 1.2420	\$ 1.2097	\$ 1.3206	\$ 1.5201	\$ 1.5526
Medic 1	\$ 0.2273	\$ 0.2290	\$ 0.2500	\$ 0.2134	\$ 0.2306
Conservation State	\$ 0.0426	\$ 0.0429	\$ 0.0469	\$ 0.0533	\$ 0.0576
City General	\$ 1.8569	\$ 2.1444	\$ 2.2598	\$ 2.5356	\$ 2.4496
City Bond	\$ 0.2291	\$ 0.2743	\$ 0.2743	\$ 0.3306	\$ 0.4054
Schools General	\$ 2.2160	\$ 2.4852	\$ 2.6018	\$ 2.9994	\$ 2.8707
School Bond	\$ 0.7597	\$ 0.8084	\$ 0.8955	\$ 1.0591	\$ 1.0791
Hospital 304	\$ 0.1344	\$ 0.1406	\$ 0.1512	\$ 0.1759	\$ 0.1800
Port #2	\$ 0.1174	\$ 0.1196	\$ 0.0999	\$ 0.1000	\$ 0.1001
Totals	\$ 8.7879	\$ 9.4659	\$ 10.0725	\$ 11.4990	\$ 11.6345

* Per \$1000 of assessed value.

City Regular Levy

	<u>Assessed Valuation</u>	<u>Property Tax</u>	<u>Rate Per \$1,000</u>
1999	\$ 329,038,224	\$ 901,993	\$ 2.7413
2000	\$ 396,626,551	\$ 929,018	\$ 2.3423
2001	\$ 404,374,295	\$ 1,096,218	\$ 2.7109
2002	\$ 425,982,646	\$ 1,186,788	\$ 2.7860
2003	\$ 453,524,658	\$ 1,255,674	\$ 2.7687
2004	\$ 472,465,429	\$ 1,320,021	\$ 2.7939
2005	\$ 556,551,581	\$ 1,363,329	\$ 2.4496
2006	\$ 589,957,949	\$ 1,495,897	\$ 2.5356
2007	\$ 711,332,593	\$ 1,607,469	\$ 2.2598
2008	\$ 778,278,230	\$ 1,668,939	\$ 2.1444
2009	\$ 930,140,024	\$ 1,727,177	\$ 1.8569

The City remains highly dependent on property tax revenues, as other revenue sources are not increasing sufficiently to meet the basic needs in providing necessary services.

City Bond Levy (Public Safety Bldg.)

	<u>Assessed Valuation</u>	<u>Property Tax</u>	<u>Rate Per \$1,000</u>
1999	\$ 319,189,719	\$ 179,991	\$ 0.5639
2000	\$ 385,636,071	\$ 175,002	\$ 0.4538
2001	\$ 393,574,160	\$ 164,986	\$ 0.4192
2002	\$ 415,424,831	\$ 197,991	\$ 0.4766
2003	\$ 442,734,218	\$ 197,991	\$ 0.4472
2004	\$ 461,308,584	\$ 197,994	\$ 0.4292
2005	\$ 550,023,681	\$ 222,980	\$ 0.4054
2006	\$ 580,714,084	\$ 191,984	\$ 0.3306
2007	\$ 699,986,348	\$ 191,923	\$ 0.2743
2008	\$ 765,517,905	\$ 209,982	\$ 0.2743
2009	\$ 916,624,824	\$ 209,999	\$ 0.2291

RETAIL SALES & USE TAX

Retail Sales and Use Tax consists of two city portions. The first portion is a local tax of one-half of one percent less fifteen percent paid to the county. The second portion includes an “optional” one-half of one percent, less the fifteen percent county share. This provides a combined

city portion of 0.0085 from each dollar of local sales. This was authorized by the State Legislature in 1982 and further authorized by the city and provided for in Sedro-Woolley’s Municipal Code Title 3, Chapter 3.12. The sales tax was adopted in 1935 as an integral part of the Washington State Revenue Act.

City Sales Tax Collections

<u>Year</u>	<u>Amount</u>
1998	\$ 896,368
1999	\$ 992,269
2000	\$ 905,292
2001	\$ 895,382
2002	\$ 994,203
2003	\$ 1,017,025
2004	\$ 1,057,128
2005	\$ 1,135,459
2006	\$ 1,308,946
2007	\$ 1,335,930
2008	\$ 1,243,787
2009*	\$ 1,555,000

* = projected in budget

STATE SHARED REVENUES

State shared revenues are derived from gasoline taxes, liquor receipts (from profits and excise taxes) and motor vehicle fuel excise taxes. These taxes are collected by the State of Washington and shared with local governments based on population. The Office of Financial Management determines the population figures used for the distribution of state-shared revenues. Sedro-Woolley’s 2009 estimated population is 10,030.

LIQUOR PROFITS AND TAXES

Cities and towns are responsible for the policing of liquor establishments located within their limits but are precluded from taxing them because of the state liquor monopoly. The law provides that a share of the state-collected profits and taxes be returned to cities and towns to

help defray the cost of policing liquor establishments.

Liquor Board profits consist of the difference between revenue from state liquor stores, taxes on wine and beer, license fees, penalties and forfeitures and board expenditures. Except for monies from administrative fees and those attributable to Class H licenses, the profits are divided among the state, counties, cities and towns.

Cities and towns receive a 40 percent share. An additional amount is distributed to border area cities and towns. Cities and towns also receive 28 percent of the liquor excise tax receipts. To be eligible to receive liquor taxes and profits, a city or town must devote at least 2 percent of its distribution to support an approved alcoholism or drug addition program.

UTILITY TAX

The City imposes a utility tax on cable, telecommunications, electricity, and natural gas at the rate of 6 percent. The City also imposes a utility tax of 2 percent on city provided utilities.

LEASEHOLD EXCISE TAX

Most leases of publicly-owned real and personal property in the state are subject to a leasehold excise tax in lieu of a property tax. The State Legislature in 1976 established a 12 percent tax to be levied on the contract rent.

In 1987, the State Legislature increased the rate to a total of 12.84 percent. Cities and counties may collectively levy up to 6 percent of the 12.84 percent. The maximum rate for cities is 4 percent and, if a city levies this amount, the county can levy only 2 percent on leaseholds in the incorporated areas. If a city chooses

not to levy its maximum, the county captures the difference to the 6 percent lid.

The City of Sedro-Woolley imposes the leasehold excise tax at the rate of 4 percent. Doing so does not affect the rate that leaseholders must pay; it simply determines who receives the money.

MUNICIPAL COURT FINES

Although the State Supreme Court establishes the schedule of fines for traffic infractions in the Washington Model Traffic Ordinance RCW Chapter 46.90, cities and towns share in the revenue for infractions committed within their boundaries. After the fines are collected, 35 percent is sent to the state. The remainder is deposited in the General Fund to pay for law enforcement services.

LICENSES, PERMITS & FEES

The City collects license fees, building permit fees and miscellaneous user fees.

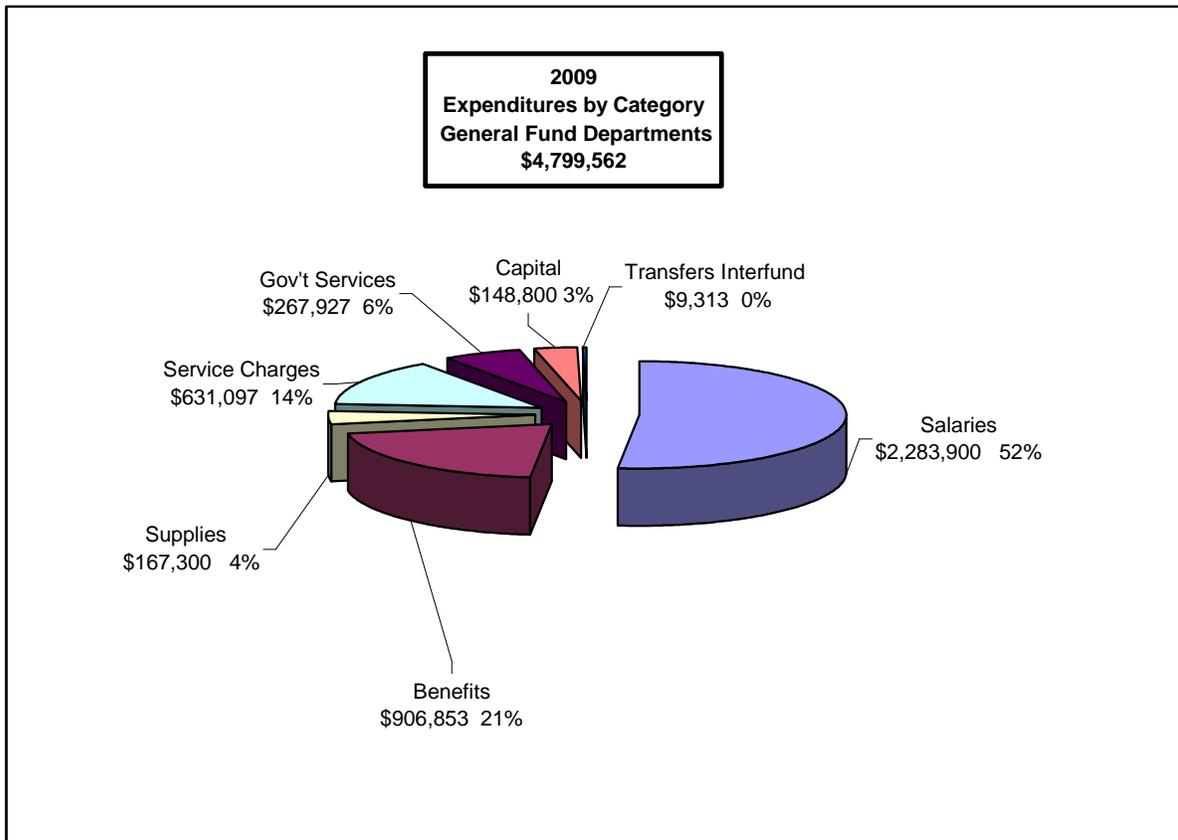
EMERGENCY SERVICES

The Sedro-Woolley Fire Department provides fire and emergency services. Through a governmental contract with Skagit County Fire District No. 8, Monday through Friday, 6:00 am to 6:00 pm. The Sedro-Woolley Fire Department also serves residents of District 8. In 2008 the City received \$123,895 from this program and anticipates about the same in 2009.

This list is not meant to cover every General Fund Revenue, but it is intended to assist in understanding how and where much of the money comes from in the support of general services of the City.

**City of Sedro-Woolley 2009 Budget
Expenditures by Category - General Fund Departments**

Department Name	Salaries	Benefits	Supplies	Service Charges	Gov't Services	Capital	Transfers Interfund	Total	%
Legislative	37,200	2,950	4,500	6,000	10,500	-	-	61,150	1.27%
Judicial	22,650	20,355	3,500	83,976	8,500	3,800	-	142,781	2.97%
Executive	53,500	14,840	500	13,000	-	500	-	82,340	1.72%
Finance	54,000	25,410	11,000	55,919	-	1,000	-	147,329	3.07%
Legal	18,500	6,690	250	48,550	1,400	-	-	75,390	1.57%
Civil Service	-	-	250	3,000	-	-	-	3,250	0.07%
Information Technologies	53,500	13,885	7,200	38,075	-	25,000	-	137,660	2.87%
Central Services	-	-	3,000	27,100	50	-	9,313	39,463	0.82%
Planning	150,500	57,150	3,500	31,360	5,015	1,000	-	248,525	5.18%
Engineering	92,600	39,450	4,000	44,500	-	3,500	-	184,050	3.83%
Police	1,317,950	619,120	59,600	161,210	172,800	60,000	-	2,390,680	49.81%
Fire	432,200	86,633	69,000	103,655	-	54,000	-	745,488	15.53%
Building	51,300	20,370	1,000	14,752	-	-	-	87,422	1.82%
Emergency Services	-	-	-	-	20,535	-	-	20,535	0.43%
Pollution Control	-	-	-	-	3,481	-	-	3,481	0.07%
Economic Development	-	-	-	-	2,000	-	-	2,000	0.04%
Aging	-	-	-	-	20,441	-	-	20,441	0.43%
Public Health	-	-	-	-	23,205	-	-	23,205	0.48%
Ending Fund Balance								384,372	8.01%
TOTAL	2,283,900	906,853	167,300	631,097	267,927	148,800	9,313	4,799,562	100.00%



GENERAL FUND EXPENDITURES – By Department

LEGISLATIVE

The City council is the legislative branch of the city government within the City of Sedro-Woolley. Policy-making is the most important responsibility of the City Council.

The general powers and duties of this body are provided in the Revised Code of Washington Chapter 35A.12.

As a comprehensive policy setting directive, the council develops various master plans. These plans are the foundation for developing the annual final budget. These plans are also opportunities for citizens to have direct input into the major policies affecting the community. City master plans include the GMA Comprehensive Plan, Capital Improvement Plan, Transportation Improvement Plan, Stormwater Management Plan, Comprehensive Solid Waste Management Plan, Comprehensive Sewer System Plan, Design Standards and Guidelines, Police Mitigation Fee Analysis and Proposal, Fire Strategic Review and Impact Fee Plan, Sedro-Woolley School District #101 Capital Facilities Plan.

In developing the master plans, the City Council holds public hearings to allow public input and testimony. This represents hundreds and hundreds of hours of testimony and debate. These master plans are comprehensive and provide fiscal guidance both in the annual budget and the long-term strategic budget development.

After master plans are adopted by the Council, the City’s department directors develop annual budget requests to implement the master plans. Each director develops budget requests for the City Supervisor to review. This process results in the city council debate and passage of the final annual budget in December of each year.

MISSION STATEMENT

The mission of the Sedro-Woolley city government is to provide services and opportunities which create a community where people choose to live, work and play. This will be achieved through providing the highest quality services we can within the resources with which we’re provided; involving residents in all aspects of planning and operations; serving as a clearinghouse for public information and operating facilities which meet the legitimate, identified concerns of the residents of and visitors to our community.

VISION STATEMENT

Sedro-Woolley is a friendly City that is characterized by City government and citizens working together to achieve a prosperous, vibrant and safe community.

Legislative					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
<u>Expenditures by Category</u>					
Salaries			37200	37,200	0
Benefits			2950	2,996	-46
Supplies			4500	5,000	-500
Service Charges			6000	5,000	1,000
Government Services			10500	19,210	-8,710
Total Expenditures			61,150	69,406	-8,256

JUDICIAL

The Municipal Court of Sedro-Woolley is a court of limited jurisdiction, presiding over infractions, and misdemeanor and gross misdemeanor criminal matters. Other matters such as felonies are held in Skagit County Superior Court.

The Court personnel manage the court’s caseload, record proceedings and collect all fines, forfeiture and costs that are initiated by the Sedro-Woolley Police Department. The Judge is provided through a professional services contract.

Judicial					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
<u>Expenditures by Category</u>					
Salaries			22,650	21,550	1,100
Benefits			20,355	19,775	580
Supplies			3,500	4,000	-500
Service Charges			83,976	115,676	-31,700
Government Services			8,500	8,500	0
Capital			3,800	1,000	2,800
Total Expenditures			142,781	170,501	-27,720

EXECUTIVE

The Mayor of a code-city Mayor-Council municipality is the chief executive and, as such, is responsible for carrying out the policies of the Council. The City Supervisor is tasked with carrying out the day-to-day duties under the direct supervision of the Mayor.

The Executive Department provides overall administration of the affairs of the City. This includes enacting the Council’s policies, officially representing the City for the public and other Governmental entities, and providing City department overview and liaison.

2008 Accomplishments

- Completion of the new Municipal Building
- Completion of the new SWPD evidence building
- Completion of the new Park & Recreation building
- Negotiated a new collective bargaining agreement with AFSCME
- Obtained grant funding to support the design of the new intersection at Jameson and SR9
- Implementation of the City’s new vision and mission
- General support and supervision of city departments

2009 Goals

- Support economic development in Sedro-Woolley
- Assist in completion of major construction projects
- Acquire new park land
- Find funding for Fire Station 2
- Find funding for SWFD aerial device
- Negotiate new collective bargaining agreement with the SWPSG
- Continue to seek grant funding for capital projects
- General support and supervision of city departments

Executive				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
Expenditures by Category				
Salaries		53,500	73,600	-20,100
Benefits		14,840	16,355	-1,515
Supplies		500	1,000	-500
Service Charges		13,000	13,500	-500
Capital		500	2,500	-2,000
Total Expenditures		82,340	106,955	-24,615

FINANCE

The Finance Department provides a variety of financial and administrative services for the City, which includes:

- Cashiering services;
- Cash and investment portfolio management;
- Debt management;
- Budget preparation and administration;
- Annual financial report preparation;
- Business license issuance and monitoring
- Utility Tax reporting;
- Grant revenue and expenditure reporting;
- Local Improvement District assessment collections;
- Utility billing for sewer, solid waste and storm;
- Accounts receivable and collections;
- Payroll and employee benefits;
- Federal and State payroll tax reporting;
- Accounts payable and audit of vendor claims;
- Monthly and annual financial reporting of all revenues and expenditures;
- Prepares for and facilitates the City's annual audit;

- Custodian of the City's legislative history;
- Production of Council agendas, packets and minutes;
- Publish required legal notices;
- Notary services (City related documents only);
- Archival and destruction responsibilities of the City's official public records;
- Process all incidents and claims in a timely manner;
- City-wide mail processing;
- Manage the City's inventory system;
- Assist the City Supervisor in risk management and personnel issues.

2008 Accomplishments

- Successfully completed the annual audit by the State Auditor which was the City's first Federal Audit in many years.
- Successfully moved the Department from the old City Hall to the new City Hall with minimal interruption of services.
- Prepared the final accounting and close out for USDA for the City Hall construction project.
- Prepared the final accounting and closeout for the pre-construction Public Works Trust Fund Loan for sewer collection infrastructure.
- Implemented the acceptance of credit cards as payment of utility bills.
- Created a listing of the City's Resolutions in the Sedro-Woolley Municipal Code Book.
- Implemented a new format for the City's Annual Budget which is more "citizen friendly" and placed the document on the

- City's website to facilitate accessibility.
- Refunded the City's outstanding Sewer Revenue Bonds at a significantly lower interest rate.
- Received an upgrade in bond rating on the City's sewer bonds from an "A-" to an "A+" and from an "A" to an "A+" on the City's general obligation bonds.
- Improved our ability to access and retrieve records due to the purchase of a high density filing system.

- Research the feasibility of becoming a passport acceptance facility.

Finance				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		54,000	50,634	3,366
Benefits		25,410	23,544	1,866
Supplies		11,000	11,000	0
Service Charges		55,919	74,550	-18,631
Capital		1,000	10,000	-9,000
Total Expenditures		147,329	169,728	-22,399

2009 Goals

- Successfully complete the annual audit by the State Auditors which again will be a Federal audit.
- Prepare the final close out and accounting for
 - Public Works Trust Fund Construction Loan #1 for sewer collection infrastructure;
 - Public Works Trust Fund Construction Loan #2 for sewer collection infrastructure;
 - SR20/Skagit Project roundabout, a federally funded project.
- Computerize the City's asset inventory system.
- Continue to improve the City's budget process and financial reporting
- Evaluate and select new financial accounting software.
- Research the feasibility of consumption based sewer billing.
- Acceptance of credit card payments for all City services, other than just utility billing.

LEGAL

The City Attorney's Office provides legal advice, opinions and representation to the Mayor, City Council, and staff on a broad range of matters:

- General civil litigation
- Law enforcement/prosecution
- Labor law, employment, personnel issues
- Land use/environmental issues
- Risk management
- Utility and water law
- Contract drafting and negotiation
- Real Estate transactions
- Ordinance and resolution drafting
- Prosecution in Municipal Court

The City Attorney' Office prioritizes aggressive and prompt response to lawsuits, and focuses on early pre-litigation involvement and intervention, thereby minimizing the City's litigation exposure and limiting our dependence on outside legal counsel.

Good risk management, active legal consultation with City Departments and the City Council, open channels of

communication with citizens, and early legal intervention reduce the risk of litigation and limit our taxpayer's exposure to the financial liabilities associated with lawsuits against the City.

- Coordination and client support for County-hosted email
- Facilitate end-user application training and coaching

Legal					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
Expenditures by Category					
Salaries			18,500	21,600	-3,100
Benefits			6,690	8,185	-1,495
Supplies			250	500	-250
Service Charges			48,550	18,750	29,800
Government Services			1,400	1,400	0
Capital			0	500	-500
Total Expenditures			75,390	50,935	24,455

INFORMATION TECHNOLOGY

The Information Technology Department provides services to support all information systems the City uses to accomplish goals and perform its mission. These services include:

- Procurement, implementation and review of technology hardware and software systems
- Administration of the City-wide Local Area Network (LAN) and Internet Protocol (IP) Telephone system
- Website development and maintenance
- Client support for critical proprietary applications in public safety, municipal court, wastewater treatment and financial systems
- Deployment and maintenance of networked security surveillance systems
- Database development, deployment and administration
- Securing, archiving and restoring data on City network

2008 Accomplishments

The IT Department was created at the beginning of the 2008 budget year. Accomplishments for 2008 include:

- Implementation of the City-wide IP telephone system
- Moving and streamlining City network infrastructure from the old Municipal Building to the new City Hall
- Design and deployment of a secure wireless IP network to tie Parks, Streets and Solid Waste into the City LAN
- Design and deployment of IP network and security surveillance system at new Parks and Recreation headquarters

2009 Goals & Objectives

The main focus for IT in 2009 will be on projects that require less procurement of hardware/software and less dependence on contract labor. These goals include:

- Complete implementation of City Hall, Public Safety, Library and Community Center video security surveillance systems
- Complete consolidation of Library, Wastewater and City Hall networks
- Complete implementation of City Intranet to provide common homepage for all City staff
- Redesign City Website so that departments can update content
- Design and deploy Fixed Asset Inventory database with barcode compatibility

- Upgrade City Hall domain controllers

and are provided with ample opportunity to participate in the public process.

IT					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
<u>Expenditures by Category</u>					
Salaries			53,500	63,000	-9,500
Benefits			13,885	16,400	-2,515
Supplies			7,200	4,000	3,200
Service Charges			38,075	34,600	3,475
Capital			25,000	48,100	-23,100
Total Expenditures			137,660	166,100	-28,440

2009 Goals & Objectives

Note: References to GMA* and POLICY* are goals and policies that facilitate the mandates contained in the Washington State Growth Management Act.

Goal GMA5: Encourage community economic development

Policy E3.1- Improve ease of uniformity for development within the Central Business District.

Staff will assist the planning commission in surveying the downtown business owners to determine what ideas and preferences they may have regarding aesthetics and signage. Using this information, a proposed revision will be forwarded to the city council for consideration.

Goal GMA 7: Permits-Ensure fair, predictable and timely processes.

Policy H2.6 – Correct inconsistencies in the city’s municipal code chapters 16 (Subdivisions) and 15 (Zoning).

Staff will propose needed changes and work with the planning commission to develop new language that is consistent and more clearly identifies zoning and development requirements.

Goal GMA 4, 5 and 12: Housing, Economic Development, Public Facilities and Services.

Update the Sedro-Woolley Comprehensive Plan.

PLANNING

Mission Statement

Promote the general health, safety, and welfare of the citizens of Sedro-Woolley; assist the citizens with code and permit processes; work with developers and contractors to achieve their goals; and work with other City departments to provide a coordinated effort.

We strive to achieve these goals and contribute to the overall mission of the City by:

- Administration and compliance with the codes and standards adopted by the State of Washington that regulate land development.
- Administration and compliance with the City of Sedro-Woolley Municipal Code as it relates to land use and development within the City.
- Provide information to the development industry clientele and assist them in understanding proper application of the adopted codes and ordinances.
- Insure that citizens of our city are notified of development activity

Staff will review and propose revisions to the Housing, Economic Development and Public Utilities elements of the Sedro-Woolley Comprehensive Plan in anticipation of the complete update that must be finished by 2012.

Goal GMA 9 and 12: Open Space and Recreation, Public Facilities and Services

Draft a Brickyard Creek Subarea Plan

Staff will partner with the Engineering Department and community volunteers to begin developing a subarea plan for the Brickyard Creek watershed that will include provisions for stormwater conveyance, a trail system and Habitat Conservation Area preservation and enhancement.

Planning				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		150,500	145,300	5,200
Benefits		57,150	57,475	-325
Supplies		3,500	4,000	-500
Service Charges		31,360	54,300	-22,940
Government Services		5,015	4,973	42
Capital		1,000	3,000	-2,000
Total Expenditures		248,525	269,048	-20,523

POLICE

The Department is currently organized into three divisions: 1) Administration and Support Services; 2) Patrol; and 3) Investigations.

Administration

The Chief of Police provides overall management and direction, planning, budgeting, scheduling, inspections, and training for the Department, with the assistance of the Police Lieutenant.

Support Services

Support Services handles telephone and in-person requests for service from the public; processes and maintains all reports generated by Police Department Officers and staff; performs data entry in department database and regional/national law enforcement telecommunications systems; conducts background checks on arrested persons, processes all citations, and prepares all report packages for dissemination; produces mandated State and Federal statistical reports. The Evidence Technician is responsible for the records management, maintenance, and security of the Police Department’s evidence/property room. (SWPD contracts with Skagit County for Jail and Dispatch services.)

Patrol

The Patrol Division is the “backbone” of the police operation. This program provides 24 hour-a-day, seven-days-a-week law enforcement coverage. The officers perform all facets of law enforcement, including responding to emergency situations and service calls. Other primary responsibilities are ensuring safety and protection of persons and property through proactive and directed patrol, conducting criminal investigations, collecting evidence, recovering lost or stolen property, and apprehending violators. Patrol also facilitates the safe, expeditious movement of vehicle, bicycle, and pedestrian traffic, and renders services of problem solving and community oriented policing to promote the peace and enhance the quality of life for residents and visitors.

Investigations

The Investigations Division conducts professional and comprehensive follow-up investigations of reported major crimes and manages self-initiated investigations, criminal intelligence gathering, and crime trend analysis. The Investigations Division enhances contact with victims of major crimes and maintains an effective relationship with the Prosecutor, Courts, and other local, state, and national law enforcement agencies.

2008 Accomplishments

This past year has been another good year for the Sedro-Woolley Police Department. The officers and employees are all working very hard, trying to accomplish our goals and make Sedro-Woolley a pleasant and safe place to live. The past year we were able to fill all of our positions and be fully staffed with 15 Officers, including a recruit in the police academy and will graduate in January.

Our stated goal for the last several years is getting back to basics. Officers have been focusing on aggressive patrol and enforcement of criminal and traffic laws, which has made it uncomfortable for drug dealers and drug users to live in our community. This year we had a rise in gang activity. We have been meeting this challenge head on, working with the Sedro-Woolley School District, by increased enforcement and information sharing. We held a community educational meeting that was well received. We have a volunteer who is aggressively working to make graffiti non-existent. We are making a positive impact on the city.

This year we had a significant problem with the downtown bar situation. There were constant problems with 7 bars that are within such close proximity to each other. There were many fights and problems that accompany over service of alcohol. We worked closely with the liquor board and businesses themselves and things have stabilized. Three of the bars have closed and the remaining ones are doing a better job. We will continue to have occasional problems there but it is now manageable.

We completed our new evidence storage facility and it is in use. It is a great addition that should serve the department well for many years to come.

We responded to 10,026 complaints in 2008. Our officers have some of the highest call loads, per officer, in the county and we do not see that decreasing in the near future. Economic situations prevent us from asking for additional manpower, but it is needed. We had also hoped to have a full time receptionist for the police/fire department but that plan will also have to wait. We will continue to do more with what we have to keep Sedro-Woolley safe and a pleasant place to live while providing good service to the community.

2009 Goals

- Last year we had a goal of outfitting every car with an Opticom, a priority control system that allows intersection right of way to emergency vehicles. Four of these have been ordered and we would like to continue to phase them in.
- We intend on continuing to keep on top of the gang situation. We have an officer who is in charge

of information gathering and communication with other agencies. Not allowing increased gang activity will be one of our top priorities.

- Generally we replace 2 patrol cars each year but we are unable to do this year. We do hope to replace one vehicle if revenues will allow it.

Thank you for your continued support of these goals. Your police department is functioning at a very high level and is respected by all of the agencies in the county. All the members of the department are doing a very good job, working as a team, for the citizens of Sedro-Woolley. We understand the current economic situation and are thankful that there were no cuts. We appreciate the City Council, the Mayor's, and the City Supervisor's continued support. We will work hard to provide good service to the community.

Police				
			Budget	Budget
			Year	Year
			2009	2008
				Increase
				<Decrease>
Expenditures by Category				
Salaries			1,317,950	1,309,275
Benefits			619,120	613,120
Supplies			59,600	57,600
Service Charges			161,210	163,199
Government Services			172,800	157,228
Capital			60,000	115,050
Total Expenditures			2,390,680	2,415,472
				-24,792

FIRE

Mission Statement

The Department is dedicated to providing service to protect the public from loss of life, health and property arising from natural and man made events. This department is committed to

develop and implement a response system that reduced the danger to human life and keeps the damage to property at a minimum.

Volunteer Association Mission Statement

It is the association's mission to support the Sedro-Woolley Fire Department in providing service to protect the public from loss of life, health, and property by providing members that actively participate in our community, serve as role models, and promote camaraderie through social events, fund raising, and recognizing individual achievements.

Major Service and Programs

The Fire Department provided Emergency response for fire and medical emergencies; we also provide fire prevention programs for the general public, Sedro-Woolley School District and the Upper Skagit Reservation. We conduct life safety inspections for our businesses within the city limits. We provide for the citizens of Sedro-Woolley and Skagit County free CPR and First Aid classes.

Administration

The administration consists of the Fire Chief, Assistant Chief and Battalion Chief. The Fire Chief provides the overall management and direction, planning, budgeting, scheduling and maintenance. The Assistant Chief provides for training, fire prevention and inspections. The Battalion Chief, which is a volunteer position, provides for volunteer operations and fire ground operations and investigations.

Department Make Up

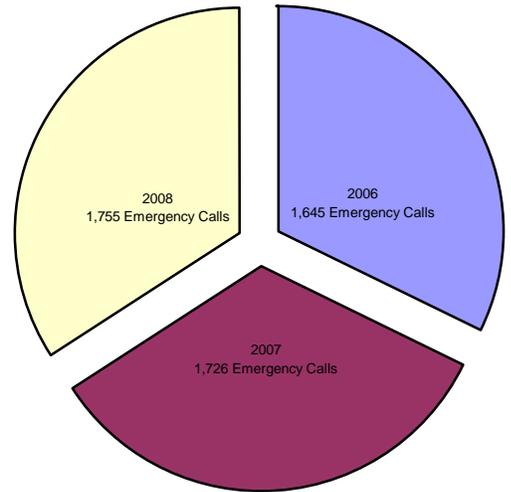
The department is made up with career staff, part time staff and volunteers. Currently the City employs on the career side: 1 Chief and Asst. Chief. We have 9 part time employees and 32 volunteers. Within the volunteer ranks we have 1 Battalion Chief, 2 Captains, 4 Lieutenants, 1 safety officer and a support officer.

- Place City’s new mobile command post vehicle into service.

2008 Accomplishments

Service, staffing levels, technology up grading, safety equipment through grants, and future growth planning and budgeting. The majority of these issues and goals were accomplished or identified for continuing. Staff was pleased with out planning and accomplishments for 2008.

Sedro-Woolley Call Volume 2006-2008



2008 Call Data

Call Type	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals
Fire	13	15	11	20	59
Aid	307	317	379	358	1361
Service	92	68	72	103	335
Totals for Yr	412	400	462	481	1755

Fire					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
<u>Expenditures by Category</u>					
Salaries			432,200	427,050	5,150
Benefits			86,633	118,185	-31,552
Supplies			69,000	76,500	-7,500
Service Charges			103,655	135,500	-31,845
Capital			54,000	108,637	-54,637
Total Expenditures			745,488	865,872	-120,384

2009 Goals

- Continue to provide the citizens of Sedro-Woolley the quality service they have come to expect from their Fire Department.
- Expand our part time firefighter program which will increase our day time employees.
- Continue to work on funding for Station 2 and for acquisition of an aerial device and new engine
- Update the City’s disaster plan and complete City wide drill.

BUILDING

Mission Statement

Promote the general health, safety, and welfare of the citizens of Sedro-Woolley; assist the citizens with code and permit processes; work with developers and contractors to achieve their goals; and work with other City departments to provide a coordinated effort.

We strive to achieve these goals and contribute to the overall mission of the City by:

- Administration and compliance with the codes and standards adopted by the State of Washington that regulate building construction.
- Administration and compliance with the City of Sedro-Woolley Municipal Code as it relates to buildings and properties located in the City.
- Provide information to the public and assist them in understanding proper application of the adopted codes and ordinances.
- Insure that individuals and companies that do business in the City meet the regulatory standards set forth in the building code and local ordinances for the business and occupation in which they are operating.

2009 Goals & Objectives

Goal: More efficient processing of building permit applications

Approve residential construction plans within 1 week of permit application if no additional information is needed.

To accomplish this, the department will continue the in-house training of the building inspector to increase efficiency

in building plan review. The building inspector will also be trained to review single-family residential site plans for zoning conformity.

Goal: Better recordkeeping of permit information

Utilize updated computer software to track permits.

The department will obtain *Ursa*, the new software from Black Bear, the provider of our current software PTWin. We will receive this upgrade free for being a recent new customer of their company.

Goal: Help customers better understand the permitting process

Improve the quality and quantity of self-accessed handouts and forms.

Staff will update, revise or produce informational handouts for use in self-service area of city hall and on the website.

Building				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		51,300	62,500	-11,200
Benefits		20,370	23,525	-3,155
Supplies		1,000	3,000	-2,000
Service Charges		14,752	25,170	-10,418
Capital		0	1,000	-1,000
Total Expenditures		87,422	115,195	-27,773

ENGINEERING AND PUBLIC WORKS

Mission Statement

To provide overall leadership, management, administration, and support for all the divisions of the Public Works and Engineering Departments. To provide safe, reliable, efficient Public Works services to the community. To provide sound technical advice to the City Supervisor, City Council, City staff, and the public. To ensure the effective and efficient integration of Public Works efforts into the overall operation of the City as well as appropriate County/State plans.

2008 Public Works/Engineering Accomplishments

- Public Works Department files have been reorganized and catalogued for easier access to record documents and project files. An electronic file system for the city's Record Drawings has been created and approximately 75% of record drawings scanned. Work will complete in 2009.
 - Hired Assistant City Engineer and began process of training for development review, city bid procedures and stormwater system management.
 - 2005 Comprehensive Sewer Plan projects were substantially completed in 2008, with final completion scheduled for early 2009. Elements completed were the Phase 2 SR20 Sewer Project, the Metcalf Street Sewer Project and the McGarigle CIPP Sewer Project. Still in progress and scheduled for 2009 completion is the Township Sewer Project.
- The Sewer moratorium has been lifted.** In addition to the Comp Plan projects, the 2008 CIPP Sewer Project designed and constructed.
- 2005 Transportation Plan projects implementation continued in 2008. Design was completed, right of way certified and bids advertised for the SR20/F&S Grade Road & Skagit Industrial Park Project with construction scheduled for 2009. Design and right of way completed to 90% for the Township Sidewalk Project, and the Fruitdale-McGarigle Road Project, with construction scheduled for 2009. 2007 Roadway Seal and Crack Seal Project completed.
 - Grant applications to support the Transportation Plan projects were completed for update to the CERB Job Development Grant, the 2010 TIB program and in association with the City Supervisor the County Economic Development program.
 - Completed major overhaul of the city GIS mapping system, including adding water, stormwater, private stormwater system, sanitary sewer, street, and background miscellaneous layers.
 - Continued to overhaul public works department bidding procedures to ensure compliance with prevailing wage laws and bid laws.
 - Provided technical assistance to confirm the 2008 stepped rate increases for the sewer utility to

ensure adequate revenue generation to meet debt service requirement.

- Working with the Safety Committee, completed update to the Accident Prevention Policies and prepared for council adoption.

Project Summary

2008 CONSTRUCTION PROJECT RECAP	Total CE, CN	Status
2007 Crack Sealing Project	\$ 52,556	Complete
Phase 2 SR 20 Sewer Project	\$ 2,224,551	Complete
Metcalf Street Trenchless Sewer Project	\$ 732,168	Close Out
McGarigle CIPP Sewer Project	\$ 853,202	Close Out
Township Trenchless Sewer Project	\$ 3,716,498	90% Complete
2008 CIPP Sewer Project	\$ 307,217	Close Out
Total PW Managed Projects	\$ 7,892,192	

2008 DESIGN/ROW PROJECT RECAP	Total PE, ROW	Status
2007 Crack Sealing Project	\$ 9,312	Complete
Metcalf Street Trenchless Sewer Project	\$ 32,652	Complete
McGarigle CIPP Sewer Project	\$ 15,931	Complete
Township Trenchless Sewer Project	\$ 264,246	Complete
2008 CIPP Sewer Project	\$ 8,106	Complete
SR20/F&S Grade Road & Skagit Ind Park Roadway	\$ 331,882	Award
Fruitdale/McGarigle Road Project	\$ 408,312	100% Design
SR9/Township Sidewalk Project	\$ 85,000	100% Design
Fruitdale Sewer Project	\$ 49,784	100% Design
SR9/Jameson Road Arterial Extension Project	\$ 165,000	25% Design
Total PW Managed Projects	\$ 1,370,225	

2009 PROJECT RECAP	Total PE, CE, CN	Status
2009 Roadway Maint Project (State, SR9 to 4th)	\$ 216,000	Not Started
2009 CIPP Sewer Project	\$ 275,000	Not Started
SR20/F&S Grade Road & Skagit Ind Park Roadway	\$ 1,908,309	Award
Fruitdale/McGarigle Road Project	\$ 5,147,563	100% Design
SR9/Township Sidewalk Project	\$ 571,086	100% D
Fruitdale Sewer Project	\$ 547,628	100% Design
SR9/Jameson Road Arterial Extension Project	\$ 165,000	Prelim Design
Stormwater Management Plan Update	\$ 100,000	Not Started
W. Jones Rd/F&S Grade Rd/Garden of Eden Plan	\$ 50,000	Not Started
Total PW Managed Projects	\$ 9,145,693	

2009 Goals

- Develop and manage plans and

execute programs that aid in the informed decision making by Public Works divisions, other City Departments, City Supervisor, and Council.

- Oversee the development and timely, cost-efficient administration of capital projects.
- Secure the means to finance capital projects necessary to a healthy infrastructure by careful management of current resources and a continuing vigilance for favorable financing.
- Continue to upgrade administrative systems to increase efficiencies and save tax- and rate-payers money.
- Continue to increase customer satisfaction with Public Works services.
- Perform Public Works functions in a safe and accident free manner in accordance with Accident Prevention Policies.

Objectives

- Complete update to the Sedro-Woolley Public Works Department Standards, including fee system.
- Complete electronic storage of city record drawings.
- Manage sewer utility system upgrades to ensure regulatory compliance and the safe, reliable provision of essential City services including improvements to the wastewater collection system, sewer trunk line improvements, and wastewater treatment in accordance with the 2005 Comprehensive Sewer Plan. Complete remaining Critical Interceptor Sewer Project

- (Township Trenchless Sewer). Continue with CIPP sewer rehabilitation program. Plan for infill of sewer to underserved areas of the city, including Township north of Alderwood, Curtis Street/State Street vicinity, Bingham Park area, Fruitdale Road/Wicker Road area.
- Update the 1997 City Storm Water Management Plan in coordination with the Brickyard Creek Subflood Control Zone. Identify and program Stormwater system improvements including capacity improvements for Brickyard Creek and the West Jones/F&S Grade Road & Garden of Eden Road area.
 - Continue to manage implementation and compliance activities for the NPDES Phase II Stormwater Permit. Prepare and submit Annual Report and update the Municipal Code Stormwater elements.
 - Create files for all private stormwater systems within the city and develop and implement compliance monitoring system.
 - Continue emphasis on transportation planning and street maintenance and improvement operations. Implement the 2005 Transportation Plan and the Pavement Management System. Construct the SR20/F&S Grade Road & Skagit Industrial Park Project, the Township Sidewalk Project, and the Fruitdale-McGarigle Road Project. Complete design and secure funding for the SR9/Jameson Arterial Extension Project. Begin planning for next level of Transportation Plan projects, including SR20/Cook/Ferry Intersection Upgrade and West Jones/F&S Grade Road & Garden of Eden Road area. Design and construct 2009 Pavement Management projects.
- Continue to support the activities of all Public Works elements and other City departments by providing current, accurate GIS data to fullest extent possible.
 - Provide project management and technical support for the development, bidding, contract compliance, and project close out for municipal capital facilities projects.
 - Provide technical assistance to ensure implementation of stepped rate increases for the sewer and stormwater utilities system to ensure the lowest possible utility rates that will support the City's adopted plans for utility system capital projects.
 - Continue search for grant funding opportunities and low interest loans in conjunction with the City's capacity to finance the loans.
 - Provide assistance in grant and loan preparation to all Public Works divisions and City departments.
 - Implement procurement policies and methods that assure the best value at the best price while maintaining strict compliance with state and city bidding and procurement laws.
 - Continue working towards full compliance on budget and bidding processes on an ongoing basis.
 - Provide updates and training on the latest procurement methods,

- laws, and policies.
- Ensure the efficient and effective organization of critical information through design and implementation of a Records Management Program.
 - Continue to support and improve the Customer Request Program.
 - Complete and implement updated Accident Prevention Policies. Continue management of the city Safety Committee activities.

Engineering				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		92,600	124,100	-31,500
Benefits		39,450	54,675	-15,225
Supplies		4,000	4,000	0
Service Charges		44,500	96,600	-52,100
Capital		3,500	3,500	0
Total Expenditures		184,050	282,875	-98,825

SPECIAL REVENUE FUNDS

Special revenue fund types are used to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditure for specified purposes. The city presently has ten special revenue funds:

- Parks Funds
- Cemetery Fund
- Streets Fund
- Arterial Streets Fund
- Library Fund
- Cemetery Endowment Fund
- Parks Reserve Fund
- Hotel/Motel Fund
- Special Investigations Fund
- Paths and Trails Fund

PARKS FUND

The Parks Department oversees the City's parks, 9-hole leased golf course, flower basket program, city mowing and City building maintenance. The department supervises the rental of park shelters, RV Park, Community Center and Hammer Heritage Square. During 2009 the Parks Department will be developing a recreation program which will be implemented in 2009. It is the department's intent to provide recreation and leisure programs that are comprehensive, enriching and affordable for all citizens while creating a balance between active and passive recreation opportunities for all ages.

2008 Budget Message

2008 has been a very busy and productive year for the Parks &

Recreation Department. We have completed a number of new projects and kept up very nicely with our regular maintenance program. Perhaps most importantly, we are very excited about the completion of our new headquarters located in Bingham Park. With the assistance of other parks & recreation agencies in the county, we are continuing to develop a recreation element to compliment our beautiful city parks system. We did hold our first recreation event this year hosting the Freedom Jam Basketball tournament during Loggerodeo. We are very proud of our work in the landscaping, completion and maintenance of the new municipal building. It's a beautiful building, and were going to keep it that way. It has been a great spring and summer for our flower basket program as well, they are the talk of the town and beyond. Another project we're proud of is the amphitheater at Riverfront Park. It is an amazing structure, and will be a great asset to the department, it was presented to the city in August by the Sedro-Woolley Rotary Club. The off leash bark park site has been cleared and seeded and is nearing completion. The Rotary Club's Senior Center project has recently been completed, and the new paint job looks great. It's been a good year for us, please see a list of completed projects below.

2008 Accomplishments

- General parks and facilities routine and preventative maintenance.
- Assisted with city hall move, and completed landscaping, and other projects at the new municipal building.

- Flower program
- Hammer Park Improvements
- Cleared new properties at Riverfront, and prepped new dog park site.
- Installed new vinyl windows at Community Center.
- Improvements at Bingham Park, new playground equipment, tree plantings, shelter repairs and new restroom facility.
- Continued operation the Municipal Golf Course
- Assisted with completion of new Parks Headquarters at Bingham Park.

Issues facing the department for 2009

As the cities population continues to rise, the usage of our facilities is at an all time high. Each year we are seeing our facilities get more and more overcrowded. We need to focus on developing our recently acquired land for new park facilities and continue updating our current facilities. With our ever increasing realm of responsibilities our biggest concern is adequate staffing so we can continue to keep up provide great service to city and our citizens.

2009 Goals

Our goals for 2009 are to maintain our current levels of service and beyond. Our reputation of having beautiful parks and flower displays is a reputation that we will hopefully be able to uphold. Our goals for next year include beginning the planning stages of the development of our new properties at Riverfront Park. We will continue to operate the Golf Course and develop recreational programming. We hope to market the amphitheater to community groups and use it as a vehicle to promote

tourism. Early in the year we intend to have a functioning parks & recreation advisory board to assist us in our development of recreational programming and other park issues. We hope to complete several facilities maintenance and park projects during the year which are listed below.

- Exterior Painting of Library
- Exterior Painting of Community Center
- Sealing of cement pavers at Hammer Square
- Off Leash Dog Park Completion and Grand Opening
- New Playground Equipment Installation
- Maintenance of Log Shelters at Riverfront
- Improvements and lighting to Riverfront property bordering Janicki Cove
- Clearing of FEMA land north of Riverfront Park
- Assist Loggerodeo with their move to Riverfront Park

Parks					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
Expenditures by Category					
Salaries			265,150	247,200	17,950
Benefits			109,630	96,780	12,850
Supplies			47,400	53,400	-6,000
Service Charges			177,475	100,950	76,525
Government Services			1,500	1,000	500
Capital			80,100	310,100	-230,000
Transfers - Internal			45,401	44,600	801
Total Expenditures			726,656	854,030	-127,374

CEMETERY FUND

The City of Sedro-Woolley operates Union Cemetery which was formerly the IOOF Cemetery and Wicker’s Cemetery.

The Cemetery fund provides the resources for the cemetery operating department of public works. The Cemetery Department is responsible for the complete in ground burial of full bodies and inurnment of cremains be it in the ground or in above ground Columbarium (Niche Wall). This includes coordination of burial schedules, opening and closing of graves, set up and removal of burial equipment and eventually setting of grave markers. In addition cemetery ground and equipment are kept in top operations order at all times.

2008 Accomplishments

With the sell out of an existing 48 Niche Unit Columbarium for cremains, a new one of the same description and size was added to an existing slab and done so because of the demand for spaces.

2009 Goals and Objectives

Meet goals set by City Council and Administration to include budget for 2009.

Continue to maintain the cemetery grounds and buildings in a manner the City of Sedro-Woolley administration and citizens can be proud of.

With a new fee schedule in place the big 2009 accomplishment will be, due to higher placement of cremains as opposed to full body burials, which generate less fees, continue to lower operating expenses and look for new ways to collect fees. With that the process of buildings and installing a memorial wall on an existing slab is already underway for 2009 with the help

of a local manufacturing company which will generate revenue.

Cemetery				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		75,700	74,000	1,700
Benefits		34,655	34,450	205
Supplies		14,100	14,600	-500
Service Charges		12,605	16,200	-3,595
Government Services		2,500	0	2,500
Capital		0	18,000	-18,000
Transfers - Internal		15,134	14,900	234
Total Expenditures		154,694	172,150	-17,456

STREET FUND

The Street fund provides the resources for the street operating department of public works. The Street Department is responsible for the maintenance of streets, alleys, sidewalks and shoulders within the City of Sedro-Woolley. This includes street sweeping, vegetation management, tree removal, grading, pavement and shoulder repair, snow and ice removal, pavement marking and signage.

The street fund receives revenues from state distributions of motor vehicle fuel taxes.

These state distributions are not sufficient resources to maintain city streets. The city's general fund provides subsidies in order for the street fund to operate.

2008 Accomplishments

2008 with the help of the new City Public Works Director/Engineer on board for the full year a lot of smaller necessary projects got done for the

benefit of all and will let way for larger street projects in 2009.

2009 Goals and Objectives

Meet goals set by the City council and Administration to include budget in 2009.

Work to maintain streets and sidewalks to afford safe passage for motorists and pedestrians through evaluation, identification and prioritization of failed road surfaces and sidewalks and develop an overall street operations and maintenance plan.

The bulk of 2009 accomplishments will be within the street system and storm drainage due to 2008-09 weather conditions and mandated storm water regulations.

Streets				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		226,600	198,225	28,375
Benefits		105,215	100,175	5,040
Supplies		61,700	50,500	11,200
Service Charges		178,240	249,400	-71,160
Government Services		60	0	60
Capital		83,000	101,000	-18,000
Transfers - Internal		93,130	94,800	-1,670
Total Expenditures		747,945	794,100	-46,155

ARTERIAL STREETS FUND

The arterial street fund is responsible for administration, maintenance and improvement of the City’s arterial street system. This fund receives revenues from GMA Transportation Impact Fees, grants and developer agreements.

Arterial Streets				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		0	0	0
Benefits		0	0	0
Supplies		0	0	0
Service Charges		0	0	0
Government Services		3,197	3,722	-525
Capital		8,414,980	3,104,868	5,310,112
Total Expenditures		8,418,177	3,108,590	5,309,587

LIBRARY FUND

The Sedro-Woolley Public Library exists to provide books, materials, and information - in a variety of formats. We encourage everyone in our community to develop a lifelong love of reading and learning. We strive to make the world of ideas and knowledge open to all in our community who wish to enter.

2008 Accomplishments

We have exceeded our previous estimate for circulation by many thousands of items – our preliminary data indicates more than 92,000 items (not yet counting our online transactions) were checked out in 2008 (roughly a 20% to 25% increase over 2007).

Our new Early Learning Discovery Box program has nearly 50 completed boxes filled with educational puzzles, books, puppets and worksheets – we have checked them out more than 300 times in 2008. Our new 50 CD/Book Early Reading sets have been available beginning in September of 2008 – and have now been checked out more than 100 times in just the final four months of 2008. These programs were made possible by a Federal LSTA Grand administered by the Washington State Library.

The Northwest Anytime Library OverDrive (downloadable audio) project is up and running with close to 900 available titles on it, and our shared circulation is at nearly 9,000 check-outs for 2008. We are an original partner in this flourishing consortium project, with several more public libraries in Washington wishing to join us in 2009. We have successfully completed our 2008 Washington Department of Early Learning Grant project with nearly 70 families participating in the *Ready! For Kindergarten* program. The Sedro-Woolley Public Library is the first public library to spearhead this particular program in the country. Our initial partner for the *Ready!* Program was the Sedro-Woolley School district #101. In fact, it was so successful, that the Sedro-Woolley School District used it to expand our efforts by receiving a prestigious multi-year Gates Foundation Grant (now they are the lead agency, and we are one of several partner sites for 2009 and 2010).

This Library was one of the first in Skagit County to offer the TumbleBooks downloadable audio/picture book program for children. Beginning in January of 2009, we are expanding these offerings to include both early readers and early chapter books.

Grants for 2008/2009

- LSTA Grand for Early Learning Discovery Boxes – successfully completed.
- Washington Department of Early Learning Grant for the *Ready! For Kindergarten* program – successfully completed.

- Skagit community Foundation Grant to support children’s services – successfully completed.
- Sedro-Woolley Soroptimist Grant – successfully completed.
- LIBRI Foundation Grand for 66 picture and children’s books – successfully completed.

Confirmed for 2009:

- We have received an LSTA grant to implement our first One Book – One Community project (coordinating with other Skagit County libraries and schools). The chosen book is Greg Mortenson’s “Three Cups of Tea”.

Possible for 2009 (submitted, but not yet awarded):

- A grant from Washington Child Care Resource and Referral for establishing a Play and Learn Group here at the Library.
- A NASA Grant focused on rural public libraries – to assist with elementary-age science education (particularly in space science and astronomy).

2009 Goals

Continuing to expand our efforts in early learning and literacy. This Library is a founding partner in the Washington Early Learning Library Partnership. We are working closely with the Foundation for Early Learning, the Washington Department of Early Learning and are currently working on our first statewide library symposium in early learning with a launch date in March of 2009.

We would like to begin offering programming for elementary age children, as well as some teen programming. Expanding our adult programming is also being considered.

The Library will be upgrading its TLC software program, to the next available platform probably sometime in early summer.

The Library will continue to work on adding services with grant ideas and possibilities.

We are continuing coordination efforts with other libraries in Skagit County, in order to bring the best possible services to our library customers. Several major components of this effort will include improving our library cards, our website and our circulation access.

Collections

We added nearly 3,000 items to our collections in 2008 but have also heavily weeded older/obsolete titles. As our space continues to constrict, we will be considering just how to keep up with such increased public demand, as is happening in a distressed economy. The Library is looking at how to assist people with their needs for information, financial assistance, educational opportunities, technology, housing, and for recreational materials. Public libraries are a great investment for any community and we certainly look forward to serving ours in 2009 and beyond.

Library					
			Budget	Budget	
			Year	Year	Increase
			2009	2008	<Decrease>
<u>Expenditures by Category</u>					
Salaries			169,000	160,000	9,000
Benefits			39,800	38,995	805
Supplies			5,000	5,000	0
Service Charges			42,640	85,515	-42,875
Government Services			150	150	0
Capital			35,500	50,193	-14,693
Transfer - Internal			4,900	0	4,900
Total Expenditures			296,990	339,853	-42,863

CEMETERY ENDOWMENT FUND

The Cemetery Endowment fund collects a fee for each burial space sold in the Sedro-Woolley Union Cemetery. Interest earnings on the fund are transferred to the Cemetery fund for maintenance of Union Cemetery.

PARKS RESERVE FUND

The Parks Reserve Fund receives receipts for the sale of pavers at Hammer Heritage Square and pays for the installation and maintenance of the pavers.

HOTEL/MOTEL FUND

A lodging tax is imposed upon recommendation of the city’s Lodging Tax Advisory Committee, in accordance with Sedro-Woolley’s Municipal Code Chapter 3.06.

All such taxes collected in this fund are for the purpose of paying all or part of the cost of tourism promotion, acquisition of tourism, related facilities, operation and maintenance of tourism, related facilities and for such other purposes as authorized in RCW Chapter 67.28.

Lodging tax funds may be used to pay for tourism promotion and any engineering, planning, financial, legal and professional services incident to the development and operation of tourism related facilities to secure the payment of all or any portion of general obligation bonds or revenue bonds issued for such purpose as specified.

The sole source of revenue is the lodging tax. This tax is derived by taking 2 percent of the state's 6.5 percent sales tax and rebating it back to the community for local programs to promote and accommodate tourism.

SPECIAL INVESTIGATIONS FUND

The Special Investigations Fund receives all monies and proceeds of the sale of property seized during drug investigations and forfeitures pursuant to RCW 69.50.050. The monies received shall be used solely for the purposes of drug enforcement, drug awareness education, and the purchase, lease and maintenance of equipment and other items necessary for drug enforcement. There is no staff assigned to operate this fund. It is used primarily to account for earmarked monies.

PATHS AND TRAILS FUND

The Paths and Trails Fund receives 0.05% of the Motor Vehicle Fuel Tax. Proceeds are to be used for the development of paths or trails for the pedestrians of the City.

GENERAL GOVERNMENT DEBT SERVICE FUNDS

The City issues long term debt instruments to finance large capital projects. These are typically for items that have long useful lives for which this financing method will reduce the annual debt service burden on its citizens. Since local governments are permitted to issue tax-exempt bonds, this financing option helps reduce the cost of borrowing.

State law limits general obligation bond issues. These bonds may be issued in two different methods: voted bonds and non-voted bonds. Washington State law limits the voted bond indebtedness to two and one-half percent (2.5%), including non-voted debt, of the city's current assessed valuation (A.V.)

Cities are also authorized to issue general obligation bonds for an additional two and one-half percent (2.5%) of the city's current assessed valuation for parks and open spaces and utilities. Both of these bond issues must be voted and approved by a 60 percent majority vote of the registered voters.

Bonds of this type are unlimited tax obligations of the City, and are backed by the full faith and credit of the City. The City presently has one voted bond outstanding.

In 1996 the citizens approved issuance of \$2,355,000 general obligation for the construction of a new Public Safety Building. In 2005, the outstanding bonds were refunded at a lower rate of interest. The source of monies to repay this debt

comes from property taxes earmarked for this purpose.

Non-voted bonds are called "Councilmanic" bonds and are limited by state law to one and one-half percent (1.5%) of the city's current assessed valuation. The city currently has two general government Councilmanic bonds outstanding.

In 2003 the City issued \$324,471 general obligation bonds for the purpose of purchasing a fire truck. The source of monies to repay the debt comes from a portion of the City's general fund revenues.

In 2007 the City issued a bond anticipation note not to exceed \$3,800,000 for the construction of the new City Hall. Upon project completion, in 2008 the City issued a \$2,925,000 general obligation bond with the United States Department of Agriculture (USDA) to repay the bond anticipation note. The source of monies to repay the USDA comes from a utility tax on cell phone usage.

Summary of General Government			
Obligation Bonds			
(Voted and Non-Voted Bonds)			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2009	232,289	178,373	410,662
2010	181,127	171,023	352,150
2011	197,411	164,489	361,900
2012	208,748	156,802	365,550
2013	225,140	148,610	373,750
2014	236,589	139,561	376,150
2015	248,098	130,051	378,150
2016	269,670	120,080	389,750
2017	41,306	109,243	150,550
2018	43,010	107,540	150,550
2019	44,784	105,765	150,550
2020	46,632	103,918	150,550
2021	48,555	101,994	150,550
2022	50,558	99,992	150,550
2023	52,644	97,906	150,550
2024	54,815	95,734	150,550
2025	57,076	93,473	150,550
2026	59,431	91,119	150,550
2027	61,882	88,667	150,550
2028	64,435	86,115	150,550
2029	67,093	83,457	150,550
2030	69,861	80,689	150,550
2031	72,742	77,807	150,550
2032	75,743	74,807	150,550
2033	78,867	71,682	150,550
2034	82,121	68,429	150,550
2035	85,508	65,042	150,550
2036	89,035	61,514	150,550
2037	92,708	57,842	150,550
2038	96,532	54,018	150,550
2039	100,514	50,036	150,550
2040	104,660	45,889	150,550
2041	108,978	41,572	150,550
2042	113,473	37,077	150,550
2043	118,154	32,396	150,550
2044	123,028	27,522	150,550
2045	128,102	22,447	150,550
2046	133,387	17,163	150,550
2047	138,889	11,661	150,550
2048	143,800	5,932	149,732
2049	0	0	0
Totals	4,447,396	3,377,438	7,824,834

CAPITAL PROJECT FUNDS

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The City has four non-utility capital project funds called the Current Expense Capital Fund, Mitigation Reserve for Police, Parks Impact Fee Reserve Fund, and the Fire Impact Fee Reserve Fund. The City has one utility capital improvement fund called the Public Works Trust Fund Sewer Construction Fund.

CURRENT EXPENSE CAPITAL FUND

Revenues come from different sources for this fund. The real estate excise tax, is the major source of revenue for this fund.

The real estate excise tax (R.E.E.T.) that is levied by the State is deposited into this fund. This tax is levied on all sales of real estate, measured by the full selling price, including any liens, mortgages and other debts given to secure the purchase.

The state levies this tax at the rate of 1.28 percent. A locally imposed tax is also authorized. In 1990 and 1992, the State Legislature made a number of changes in the locally imposed R.E.E.T.

As Sedro-Woolley is required to plan under the Growth Management Act (GMA), new language was enacted regarding the first quarter (.025) percent of the tax. Based on the GMA, Sedro-Woolley was given the option of levying a second quarter percent to help defray the costs of implementing the Growth

Management Act. The city receives the second quarter of R.E.E.T., which results in a combined rate of 1.78%.

The first quarter percent of the R.E.E.T. receipts must be spent solely on capital projects that are listed in the Capital Facilities Plan element of the comprehensive plan. Capital projects are defined as:

“Those public works projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and parks recreational facilities; fire/protection facilities; trails; libraries; administrative judicial facilities; and river and/or waterway flood control.”

The second quarter percent of the R.E.E.T. that is levied and is part of this budget can only be levied by those cities that are required to plan under GMA. In this quarter percent of R.E.E.T. “capital projects” mean:

“Those public works projects of a local government for planning acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems and planning, construction reconstruction, repair, rehabilitation or improvement to parks.”

When other operating divisions or funds expend monies for qualified projects, transfers-out of the R.E.E.T. Fund are

used to reimburse the operating division. The interest income is based on prudent investing with the inclusion of construction project scheduling and cash flow analysis.

MITIGATION RESERVE FOR POLICE FUND

The Mitigation Reserve for Police Fund receives contributions from area developers to mitigate the impact of their development on the Police Department. Monies are transferred to the General Fund for eligible expenditures.

PARKS IMPACT FEE RESERVE FUND

This fund receives payment from area developers as authorized by the Sedro-Woolley Comprehensive Plan under GMA. Monies are transferred from this fund to the Parks Funds for eligible projects.

FIRE IMPACT FEE RESERVE FUND

The Fire Impact Fee Reserve Fund receives payment from area developers as authorized by the Sedro-Woolley Comprehensive Plan under GMS. Monies are transferred from this fund to the General Fund for eligible projects.

PUBLIC WORKS TRUST FUND SEWER

The Public Works Trust Fund Sewer Construction Fund is a capital project fund restricted to expenditures for approved sewer collection system improvements. The interest earnings on this fund are also restricted to the approved utility improvement.

ENTERPRISE FUNDS

SEWER FUNDS

The sewer funds are Enterprise funds. Receipts come from fees collected for service instead of by taxation.

The sewer funds consist of Sewer Operating Fund, Waste Water Treatment Plant Reserve Fund, Sewer Revenue Bond Fund, Cumulative Reserve for Sewer Facilities Fund and 1998 Revenue Bond Reserve Fund.

SEWER OPERATING FUND

Collection Division

To maintain the wastewater collection system in order to provide for the safe transmission of wastewater from the source to the Wastewater Treatment Plant.

2008 Collection Accomplishments

- Cleaned and CCTV inspected 29.5% of the wastewater collection system.
- No sanitary sewer spills or overflow during 2008.
- Performed sewer line maintenance of known grease and root problem areas. Tasks included line cleaning, root cutting and adding grease eating bacteria to problem areas in the collection system.
- Handled sewer complaints professionally and rapidly to assure excellent customer service.
- Repaired sewer lines in City right-of-way using wastewater staff and equipment.
- Performed manhole inspections and created data base for inventory.
- Major sewer upgrades: Strider Construction replaced gravity sewer lines and added two pump stations with force mains on SR-20 from United General Hospital to Brick Yard Creek; Trenchless Technologies and Ram Construction upsized gravity sewer lines on Township Street/SR-9 from Polte Road to Sapp Road. With projects underway, the City Council was able to lift the last sewer moratorium.
- Rehabilitated approximately 5,000 lineal feet of 15-inch pipe on McGarigle Road and approximately 2,100 lineal feet of 21-inch and 24-inch pipe on 3rd Street using the Cured-in-Place lining method.
- Performed pre-treatment inspections at all commercial kitchens and restaurants in town.
- Performed sewer line locates as requested by the Utility Underground Location Center.
- Constructed a gravel road with State employees in order to access sewer manholes in the field east of Fruitdale Road.
- Installed grease interceptor at WWTP to reduce Fats, Oils and Grease (FOG) entering the treatment plant waste stream.

Performance Indicators	2007	2008	2009 Estimate
Number of sewer locates	581	473	500
Length of sewer lines (miles) in the City	42.9	44.1	45
Length of sewer lines cleaned (feet)	45,706	46,777	58,000
Length of sewer lines CCTV inspected (feet)	50,000	68,791	58,000
Number of sewer complaints received and investigated	41	30	30
Number of sewer line repairs made by Wastewater Staff	21	221	25
Grit removed from Collection Systems (tons)	52.92	36.95	45
Factor Grit disposal cost	\$ 4,550.58	\$ 3,177.26	\$ 4,000.00

2009 Goals

- Perform corrective and preventive maintenance duties of the wastewater collection system in order to reduce liability and prevent sewer overflows and back-ups; reduce the number of emergency calls; maintain an accurate inventory of pipes and manholes in the wastewater collection system.

Objectives

- Clean and CCTV inspect all sewer lines throughout the collection system over a four-year schedule. This effort is in addition to cleaning problem lines.
- Perform maintenance and treatment of known grease and root problem sewer lines.
- Work towards the identification and removal of infiltration and inflow from the collection system through smoke testing, dye testing and CCTV inspections.
- Repair or replace damaged sewers in the City right-of-way as identified thru CCTV Inspections. Make repairs using wastewater staff and equipment.
- Perform pump station wet well maintenance once per week.

- Collect GPS and field data on new manholes; update wastewater collection maps as new sewer lines are added.
- Work cooperatively with businesses on reducing the discharge of fats, oils and grease (FOG) into the wastewater collection system. This will be done by enforcement of the City's Pretreatment Ordinance, public education and working with businesses on the installation and maintenance of grease traps. Staff will also work with businesses on the maintenance of oil/water separators to remove petroleum products; maintenance of sand traps to reduce grit and gravel; maintenance of amalgam separators to reduce heavy metals discharged to the collection system.

Wastewater Treatment Division

To provide for the treatment of wastewater and the operating, monitoring and maintenance of the facilities in compliance with Federal/State Laws and Regulations and in agreement with the City's concerns for public safety, health and environmental quality.

The Wastewater Treatment Division is also responsible for the operation and maintenance of nine wastewater pump stations that support the City's wastewater collection system.

2008 WWTP Accomplishments

- Operated the Wastewater Treatment Plant within all NPDES permit limits.
- Successfully passed lab accreditation performance studies to maintain laboratory accreditation.
- Maintained high quality of Biosolids by using Environmental Management System strategies.
- Maintenance activities and inspections were performed on WWTP and pump station equipment with no major failures noted. Maintenance activities were logged and tracked using Job Cal software.
- Received Department of Ecology's 2007 Outstanding Performance Award for exemplary operation of the City's wastewater treatment and collection system. This is the ninth award the Sedro-Woolley Plant has received.
- Produced excellent effluent (97% reduction in TSS and 98% reduction in BOD) by monitoring nitrification cycle and controlling filamentous bacteria with the aid of ORP technology and chemical dosing.
- Began using plant water to mix polymer for Biosolids pressing. This further reduced our use of potable water and will result in additional savings for the City.
- Added safety rails around southwest side and end of Oxidation Ditch and upgraded rails around Anoxic tank. This eliminated fall hazards created after the 2007 fill and grade project.
- Improved new City property at 501 Alexander Street by installing curb, gutter, sidewalks, sewer main, storm drainage and asphalt. Internal property improvements include brush clearing, chipping, garbage removal and installing chain link fence along east side of property.
- Improved security at WWTP by installing three additional monitoring cameras.
- Performed preventive de-energize maintenance tests and successfully operated WWTP using portable pumps, with no line or emergency power, for eight hours. Also successfully operated WWTP under emergency power conditions for a long duration while PSE replaced a power pole.
- Handrails on Oxidation Ditch and Clarifier #1 were cleaned, scraped, primed and painted by Job Corp students. Garage on Alexander Street property was also primed and painted as a final project by one of the students.
- WWTP laboratory began running Fecal Coliform tests twice per month on Sedro-Woolley Brickyard Creek samples. This meets an educational requirement of the NPDES Phase 2 Stormwater permit.
- Performed visual inspections on all pump stations and their emergency generators twice per week.
- Installed radio telemetry at the Klinger, Cook, West Jones Road and John Liner Pump Stations. This gives Operators direct access to pump station controls and pumping data via the plant

SCADA system. The Mountain View pump station will have radio telemetry installed in 2009.

Performance Indicators	2007	2008	2009 Estimate
NPDES Compliance	100%	100%	100%
Flow Capacity Used (% Used until design)	39% (45%)	39% (46%)	40% (45%)
BOD Capacity Used (% Used until design)	37% (43%)	37% (43%)	40% (44%)
TSS Capacity Used (% Used until design)	30% (35%)	29% (34%)	30% (35%)
Total Gallons Treated	291,039,000	291,934,000	292,000,000
Average Flow Rate per Day (Million Gallons)	0.798	0.802	0.08
Cost to treat Wastewater (per Gallon)	\$ 0.0036	\$ 0.0040	\$ 0.0044
Grit removed from Headworks (yards)	9	5	5
Rags removed from Headworks (gallons)	5568	7529	7500
Treated Biosolids (Gallons)	2,393,421	2,496,014	2,500,000
Biosolids to Boulder Park (Dry Tons)	128	145.83	130
Biosolids to Local Pastures (Dry Tons)	24.75	7.62	50.0
Reuse water used at WWTP and in Collection Activities (Gallons)	54,850,632	48,992,115	55,000,000
% Reuse water used at WWTP and in Collection activities	18.80%	16.80%	18%
Savings to Rate payers by using Reuse Water	\$ 133,392.54	\$ 111,187.11	\$ 115,000.00

2009 Goals

- Operate the Wastewater Treatment Plant within all limits required by the National Pollutant Discharge Elimination System (NPDES) Permit, Washington State Laboratory Accreditation Program and Washington State Biosolids Management Permit.
- Operate and maintain pump stations to assure optimal performance and reliability.

Objectives

- Prevent violations of the NPDES permit by providing monitoring, equipment inspections, maintenance, calibrations and laboratory analysis; enforced the City's sewer ordinance (Sedro-Woolley Municipal Code, Chapter 13) to protect the wastewater infrastructure, City employees and public health.
- Operate and maintain pump stations by performing corrective and scheduled maintenance on equipment.

- Operate facilities efficiently to produce a high quality effluent and biosolids in the most cost effective manner.
- Implement Capital Improvement Projects to improve the wastewater treatment process.
- Maintain existing facility and grounds to ensure prolonged life of the City's capital investment; continue site improvements on new City property.
- Seek ways to improve WWTP energy efficiency and security.
- Work with the wastewater collection division on the removal of infiltration and inflow (rain) from the wastewater collection system. I & I removal buys back treatment capacity in the system and delays plant upgrades.

Sewer Operations				
		Budget	Budget	
		Year	Year	Increase
		2009	2008	<Decrease>
<u>Expenditures by Category</u>				
Salaries		601,600	543,625	57,975
Benefits		260,510	233,750	26,760
Supplies		133,000	125,000	8,000
Service Charges		419,600	436,000	-16,400
Government Services		66,500	63,500	3,000
Capital		502,000	809,500	-307,500
Transfers - Internal		1,115,791	1,079,689	36,102
Total Expenditures		3,099,001	3,291,064	-192,063

WASTEWATER TREATMENT PLANT RESERVE FUND

This fund was created in 2008 for the purpose of creating a reserve for future plant equipment replacement. Monies are transferred to this fund from the Sewer Operating Fund.

SEWER DEBT SERVICE

The city’s utility funds may also issue long-term debt instruments to finance large capital projects. These are typically for utility plant or collection system improvements that have long useful lives for which this financing method will reduce the annual debt service burden on its utility customers (ratepayers). Since local governments are permitted to issue tax-exempt bonds, this financing option helps reduce the cost of borrowing. These debt instruments are usually issued as revenue bonds.

The source of monies to repay the revenue bond debt service comes from utility revenues, not property taxes.

In addition to revenue bonds, cities may apply to Washington State for low interest and/or interest-free loans. This is a competitive process that involves city staff presenting a proposal in Olympia for an application for Public Works Trust Fund Loans and State Revolving Fund Loans. Because of the low interest and interest-free loans, this method of financing public works is very beneficial to the city’s ratepayers. The application process is competitive. Those cities scoring highest in the State’s evaluation process receive the favorable loans. The more significant qualifying criteria requires cities to:

- Impose the ¼ of one percent real estate excise tax
- Develop a long-term plan for financing public works needs
- Use all local revenue sources which are reasonably available for funding public works
- Adopt a comprehensive plan
- Demonstrate a history of maintaining the city’s utility system

- Demonstrate a commitment to professional management

The evaluating criteria are weighted 60% professional management and 40% city need.

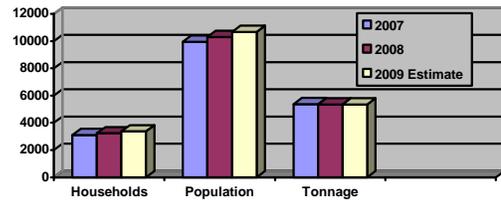
The city has received three Public Works Trust Fund (PWTF) low interest State Loans. The sewer projects relating to these loans are currently under construction. One is a PWTF loan for pre-construction of sewer projects totaling \$706,500 for 20 years at an interest rate of 0.5%. Another is a PWTF loan for constructing sewer projects totaling \$7,000,000 at an interest rate of 0.5%. The third PWTF loan for \$5,156,950 at an interest rate of 0.5% also is for sewer projects.

In 1998, the city utility issued \$6,410,000 in revenue bonds for a new Waste Water Treatment Plant. The source of monies to repay the debt service for this issue comes from the revenues of the utility.

Public Works Trust Fund Loans			
Repayment Based Upon Current Draws			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2009	594,277	47,723	641,999
2010	594,277	51,735	646,011
2011	594,277	48,764	643,040
2012	594,277	45,792	640,069
2013	594,277	42,821	637,097
2014	594,277	39,849	634,126
2015	594,277	36,878	631,155
2016	594,277	33,907	628,183
2017	594,277	30,935	625,212
2018	594,277	27,964	622,240
2019	594,277	24,992	619,269
2020	594,277	22,021	616,298
2021	594,277	19,050	613,326
2022	594,277	16,078	610,355
2023	594,277	13,107	607,384
2024	594,277	10,136	604,412
2025	594,277	7,164	601,441
2026	594,277	4,193	598,469
2027	244,277	1,221	245,498
Totals	10,941,255	524,329	11,465,584

Sewer Utility Revenue Bonds			
	Total	Total	Total
Year	Principal	Interest	Debt Service
2009	310,000	138,600	448,600
2010	335,000	125,700	460,700
2011	355,000	111,900	466,900
2012	355,000	97,700	452,700
2013	345,000	83,700	428,700
2014	355,000	69,700	424,700
2015	370,000	55,200	425,200
2016	385,000	40,100	425,100
2017	395,000	24,500	419,500
2018	415,000	8,300	423,300
Totals	3,620,000	755,400	4,375,400

reduce garbage going to the landfills. (this will be done by website educational information)



SOLID WASTE UTILITY

Function: To provide solid waste pick up in a safe and timely fashion for the residents of our city and our valued commercial customers.

2009 Goals

- Rate increase for the Yard Waste facility.
- Rehabilitate or replace 1 through 8 yard commercial containers.
- Replace failing wheeled carts for residential accounts.

2009 Objectives

- Constantly trying to improve our yard waste/storage property.
- Continue to share our part time mechanic with other departments.
- We continue to manage other wastes such as street sweepings, asphalt, and concrete with our custom built bunkers made from ecology blocks.
- Work cooperatively with businesses and residents to

Solid Waste				
		Budget	Budget	Increase
		Year	Year	<Decrease>
		2009	2008	
<u>Expenditures by Category</u>				
Salaries		339,800	296,700	43,100
Benefits		140,805	132,485	8,320
Supplies		113,500	140,000	-26,500
Service Charges		115,775	123,800	-8,025
Government Services		688,413	682,738	5,675
Capital		10,500	31,800	-21,300
Transfers - Internal		183,913	181,530	2,383
Total Expenditures		1,592,706	1,589,053	3,653

ADDENDUM A

2009 Budget Calendar

09/08/08	Call letter (including Council goals) issued to Departments
09/26/08	Budget requests from Departments due to Finance Director
October	City Supervisor meets with Departments to review budget requests and compare to Council stated goals
10/07/08	Council Worksession - Mayor informs Council of status of preliminary revenues & expenditures
10/29/08	Publish notice of property tax public hearing
10/29/08	Publish notice of budget public hearing
11/04/08	Council Worksession – distribute Mayor’s 2009 Preliminary Budget
11/12/08	Public Hearing on Property Tax Levy for 2009 - first read of ordinance
11/12/08	Council schedules budget public hearing - first read of ordinance
11/12/08	Copies of Proposed budget available for the public
11/25/08	Adoption of Property Tax Ordinance – second read
11/25/08	Public Hearing on 2009 Budget – second read
11/25/08	Adopt budget ordinance (must be adopted before 12/31/08)
12/08/08	2009 salary ordinance

STATUTORY LEGAL DEBT MARGIN

	Total Taxable Property Value	\$930,140,024	
			<u>Remaining Debt Capacity</u>
General Purpose Indebtedness (Legal Limit 2.5% of Taxable Property Value)		\$ 23,253,501	
General Purpose Indebtedness <u>Without</u> A Vote (Legal Limit 1.5%)		\$ 13,952,100	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable			
Less: Excess of Debt with a Vote			
Add: Assets Available	-		
Subtotal		-	
Equals Remaining Debt Capacity Without a Vote			<u>\$ 13,952,100</u>
General Purpose Indebtedness <u>With</u> A Vote (Legal Limit 1%)		\$ 9,301,400	
Less: Outstanding Debt	\$ (1,470,000)		
Less: Contracts Payable			
Add: Assets Available	-		
Subtotal		(1,470,000)	
Equals remaining Dept Capacity With a Vote			<u>\$ 7,831,400</u>
Utility Purpose Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 23,253,501	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	-		
Subtotal		-	
Equals Remaining Dept Capacity - Utility Purpose, Voted			<u>\$ 23,253,501</u>
Open Space, Park & Capital Facilities Indebtedness <u>With</u> a Vote (Legal Limit 2.5%)		\$ 23,253,501	
Less: Outstanding Debt	\$ -		
Less: Contracts Payable	-		
Add: Assets Available	-		
Subtotal		-	
Equals Remaining Debt Capacity - Open Space, Park and Capital Facilities With a Vote			<u>\$ 23,253,501</u>

PERSONNEL SERVICES

The City of Sedro-Woolley provides quality services and programs for its citizens with a responsive staff of 61 full-time and 18 part-time budgeted positions for 2009. Sedro-Woolley has competitive market-based salaries and benefits. Salary and benefits make up a major portion of the operating budgets.

The Police Department commissioned employees received a COLA increase in January 2009 of 5.83% plus a market adjustment of 1%. The Firefighters and Police Department support employees received a 5.83% COLA. The general bargaining unit employees received a COLA of 2%.

Non-represented employees received a COLA increase in January 2009 of 5.0% plus market adjustments depending upon position.

Benefits for regular status full-time employees include vacation and sick leave and paid holidays. Employees may qualify for additional types of leave such as jury, emergency, bereavement, military and family medical leave.

The City provides medical and dental benefits to its retired LEOFF I employees. City employees participate in the Social Security program and the city matches their contributions (7.65%).

Substantially all City full-time and qualifying part-time employees participate in either the Public Employees Retirement System (PERS) or the Law Enforcement Officer's and Firefighters Retirement System (LEOFF). PERS and LEOFF are statewide local government retirement

systems administered by the Department of Retirement Systems.

Pension Rate of Contribution

January 1 through June 30			
Plan	City	Employee	Total
LEOFF II	5.46%	8.83%	14.29%
PERS II	8.31%	5.45%	13.76%
PERS III	8.31%	variable	variable
July 1 through December 31			
Plan	City	Employee	Total
LEOFF II	5.23%	8.45%	13.68%
PERS II	8.00%	4.61%	12.61%
PERS III	8.00%	variable	variable

The City of Sedro-Woolley pays \$1,633 per month for medical, dental and vision coverage for a family of 4 persons on behalf of employees in the general government and \$1,692 per month for police/fire bargaining unit. Police employees and General government employees pay a percentage of their medical costs for dependents.

The City funds positions at their full annual cost for budgetary purposes even if it is projected that vacancies might occur. It is the city council's objective to provide sufficient funding for recruiting and maintaining highly qualified personnel.

BARGAINING UNITS

- General Government AFSCME Local 176 SW (30 members, contract expires December 31, 2012)

- Sedro-Woolley Public Safety Guild (17 members, contract expires December 31, 2009)

LABOR RELATIONS

The City employees who are eligible under state law to be represented by a Labor organization are employed under provisions on such matters as salaries, vacation, sick leave, medical and dental insurance, working conditions and grievance procedures.

The city strives to complete these agreements in a timely manner, consistent with all applicable state laws and promote labor relations policies mutually beneficial to administrative management and employees.

Personnel Status Report				
Full-Time Equivalents (Non-Seasonal)				
Department	2007	2008	2009	
Judicial	0.5	0.5	0.5	
Executive		1.1	1.1	
Legal	1	0.4	0.4	
Finance	5	5	5	
Central Services	1	1	0	
Information Technology	-	-	1	
Planning & Commun. Dev.	2.3	2.3	2.3	
Engineering	2.3	3.3	3.3	
Building	1.3	1.3	1.3	
Police	20.5	21.5	21	
Fire	4	4	4	
Parks	3	4	4	
Cemetery	1	1	1	
Street	5	3.5	3.5	
Library	4	4	4.5	
Sewer	8	8	8	
Sanitation	4	4.5	5	
Stormwater		1.5	1.5	
Fleet	0.3	0.3	0.3	
TOTAL	63	67	67.7	

GLOSSARY

ACCOUNTING SYSTEM: The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

ACCURAL BASIS OF ACCOUNTING:

The method of accounting under which revenues are recorded when they are earned (whether or not cash is received, whether cash disbursements are made at that time or not).

AD VALOREM TAXES: A tax levied on the assessed value of real property.

AGENCY FUND: A fund used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds.

ALLOCATIONS: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

AMORTIZATION: (1) The portion of the cost of a limited life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

ANNUAL DEBT SERVICE: the amount required to be paid in a calendar year for (1) interest on all Parity Bonds then outstanding; (2) principal of all Parity Bonds then outstanding, but excluding any outstanding Term Bonds, and (3) payments into any Sinking Fund Account for the amortization of outstanding Parity Bonds divided by the number of calendar

years to the last maturity or mandatory redemption date thereof.

ANNUAL FINANCIAL REPORT: The official annual report of a government. IT includes (a) the five combined financial statements – overview and their related notes and (b) combined statements by fund type and individual fund and account group financial statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules necessary to demonstrate compliance with finance-regulated legal and contractual provisions, required supplementary information, extensive introductory material and a detailed statistical section.

APPROPRIATION: An authorization made by the City Council, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

APPROPRIATION ORDINANCE: The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ASSESSED VALUATION: The estimated value placed upon real and personal property by the Skagit County Assessor as the basis for levying property taxes.

ASSETS: Property owned by a government, which has monetary value.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to be:

- Ascertain whether financial statements fairly present financial position and result of operations;
- Test whether transactions have been legally performed;
- Identify areas for possible improvements in accounting practices and procedures,
- Ascertain whether transactions have been recorded accurately and consistently; and
- Ascertain the stewardship of officials responsible for governmental resources.

AUDITOR’S REPORT: In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor’s opinion on the fairness of presentation of the financial information in conformity with generally accepted accounting practices or some other comprehensive basis system of accounting.

BARS: The State of Washington prescribed Budgeting, Accounting and Reporting System Manual required for all governmental entities in the state of Washington.

BASE BUDGET: Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

BASIC FINANCIAL STATEMENTS: Those financial statements, including notes thereto, necessary for the fair presentation of the financial position and results of operations of an entity in conformity with GAAP. The basic financial statements include a balance

sheet, an “all-inclusive” operating statement, a budget comparison statement (for all government funds for which annual appropriated budgets are adopted), and a statement of changes in financial position (for proprietary funds, pension trust funds and non-expendable trust funds).

BASIS OF ACCOUNTING: A term used to refer to when revenues, expenditures, expenses and transfers – and the related assets and liabilities – are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

BOND: (Debt Instrument) A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital expenditures.

BOND ANTICIPATION NOTES: (BANS) Short-term interest-bearing notes issued in anticipation of bonds to be issued at a later date. The notes are retired from proceeds of the bond issue from which they are related.

BOND REGISTRAR: The fiscal agency of the State of Washington in either Seattle, Washington, or New York, New York, for the purposes of registering and authenticating the bonds, maintaining the bonds, maintaining the bond register, effecting transfer of ownership of the bonds and paying interest on the principal

of (and any premium pursuant to call on) the bonds.

BUDGET (Operating): A plan of financial operation embodying and estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceilings under which the City and its departments operate.

BUDGET CALENDAR: The schedule of key dates or milestones, which the City follows in the preparation and adoption of the budget.

CAPITAL ASSETS: Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

CAPITAL BUDGET: A plan of proposed capital expenditures and the means of financing them. The capital budget may be enacted as part of the complete annual budget including both operating and capital outlays. The capital budget is based on the Capital Improvement Plan (CIP).

CAPITAL IMPROVEMENT PLAN: A plan of proposed capital expenditures to be incurred each year over a period of six future years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

CAPITAL PROGRAM: A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth

each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected public facilities.

CAPITAL OUTLAY: Expenditures, which result in the acquisition of or additions to fixed assets. Examples include land, buildings, machinery and equipment, and construction projects.

CAPITAL PROJECTS: Projects, which purchase or construct capital assets. Typically, a capital project encompasses a purchase of land or construction of a building or facility, with a life expectancy of more than 10 years.

CASH BASIS: The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

CASH FLOW BUDGET: (CASH BUDGET) A projection of the cash receipts and disbursements anticipated during a given time period.

CDBG: Community Development Block Grants – grant funds administered through Department of Community Trade and Economic Development (CTED) of the State of Washington.

CENTENNIAL CLEAN WATER PROGRAM: (CCWP) In 1986, legislation was passed which provides grants to public entities for financing water pollution control activities and facilities to protect surface and underground water from pollution. In addition, a state revolving loan program was established to provide loans or combinations of grants/loans to finance public facilities.

CERTIFICATE OF DEPOSIT: A negotiable or non-negotiable receipt for monies deposited in a bank or other financial institution for a specified period for a specified rate of interest.

CIWA: The Cities Insurance Association of Washington is a group of cities across the state that provides pooled and self-insurance services for liability, auto, property, and all other insurance coverage.

COLA: Cost of Living Allowance.

COMMUNITY PARK: Those parks so designated in the City of Sedro-Woolley Parks and Recreation Element of the Comprehensive Plan.

CONCURRENT OR CONCURRENCY: The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current services levels below locally established minimum standards.

CONTINGENCY: A budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted for.

COST ACCOUNTING: Accounting that assembles and records all costs incurred to carry out a particular activity or to deliver a particular service.

COUNCILMANIC BONDS: Councilmanic bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds that must be approved by vote of the public. Councilmanic bonds must not exceed 1.50

percent of the assessed valuation, or voted bonds 2.50 percent.

CPI: Consumer Price Index is a measure of the change in prices over time for a fixed market basket of goods and services.

DEBT: An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants and notes.

DEBT LIMITS: The maximum amount of gross or net debt, which is legally permitted.

DEBT SERVICE: Payment of interest and repayment of principal to holders of the City's debt instruments.

DEBT SERVICE FUND: A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFICIT: (1) The excess of an entity's liabilities over its assets (See Fund Balances). (2) The excess of expenditures or expenses over revenues during a single accounting period.

DELINQUENT TAXES: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

DEMAND DEPOSIT: A bank deposit of monies that are payable by the bank upon demand to the depositor.

DEVELOPMENT ACTIVITY: Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

DOUBLE BUDGETING: The result of having funds or departments within a government purchase services from one another rather than from outside vendors, When internal purchasing occurs, both funds must budget the expenditure (one to buy the services and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice: once in each fund's budget. The revenue side of both funds is similarly inflated.

DUE FROM OTHER FUNDS: An asset account used to indicate amounts owed to a particular fund by another fund for goods or services rendered. This account includes only short-term obligations on open account, not interfund loans.

ENCUMBRANCES: Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is set up.

ENDING FUND BALANCE: The cash balance remaining at the end of the fiscal year available for appropriation in future years.

ENTERPRISE FUND: Separate financial accounting used for government operations that are financed and operate in a manner similar to business enterprises,

and for which preparation of an income statement is desirable.

EQUIPMENT REPLACEMENT: The Equipment Replacement Fund operates as a self-sufficient motor and equipment pool. Customer departments pay for the equipment through charges billed monthly. These charges include a form of depreciation, which is accumulated as a sinking fund for future asset replacement.

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FEDERAL AID URBAN SYSTEM: (FAUS) Provides funds for the construction, reconstruction, and improvement of urban streets and roads. A local match of 16.6 percent is required.

FEE IN LIEU OF: (FILO) Charges are contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from the development.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For Sedro-Woolley, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment,

improvements other than buildings and land.

FLOAT: The amount of money represented by warrants outstanding and in the process of collection.

FULL FAITH AND CREDIT: A pledge of the general taxing power of a government to repay debt obligations (typically used in reference to bonds).

FTE: Full-time equivalent employee.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GAAFR: Governmental Accounting, Auditing and Financial Reporting. The "blue book" published by the Government Finance Officers Association to provide guidance for the application of accounting principals for governments.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and government.

GASB: Government Accounting Standards Board, established in 1985, to regulate the rules and standards for all governmental units.

GENERAL FIXED ASSETS: Capital assets that are not a part of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds.

GENERAL FUND: The fund supported by taxes, fees and other revenues that may be used for any lawful purpose.

GENERAL OBLIGATION BONDS: Bonds for which the full faith and credit of the insuring government are pledged for payment.

GOALS: The objective of specific tasks and endeavors.

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

GUARANTY FUND: A fund established by a bond issuer, which is pledged, as security for the payment of one or more bond issues. Normally used for local improvement districts (LID).

IAC: Interagency Committee for Outdoor Recreation.

ISTEA: Inter-modal Surface Transportation Efficiency Act.

IMPACT FEES: A fee assessed on new development that creates additional demand and need for public facilities.

INFRASTRUCTURE: Assets that are the underlying foundation especially the basic installations and facilities on which the

continuance and growth of a jurisdiction depends (streets, roads, and sewer).

INTERFUND PAYMENTS:

Expenditures made to other funds for services rendered. This category includes interfund repairs and maintenance.

INTERGOVERNMENTAL COSTS:

Costs or expenses paid from one government to another government for services. These costs include but are not limited to such things as: dispatch and jail services, animal control services, audit and voter costs.

INTERGOVERNMENTAL SERVICES: Intergovernmental purchases of those specialized services typically performed by local governments.

INTERNAL CONTROL: A plan of organization for purchasing, accounting, and other financial activities, which, among other things, provides that:

- The duties of employees are subdivided so that no single employee handles financial action from beginning to end,
- Proper authorization from specific responsible officials are obtained before key steps in the processing of a transaction are completed.
- Records and procedures are arranged appropriately to facilitate effective control.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals and base payments.

IPD: Implicit Price Deflator.

LATECOMERS FEES: Fees paid by developers or future service users for their share of past improvements financed by others.

LEASING: A financial technique whereby ownership of the project of equipment remains with the financing entity, and where title may or may not transfer to the City at the end of the lease.

LEOFF: Law Enforcement Officers and Firefighters Retirement System provided in the State of Washington.

LEVY: (1) To impose taxes, special assessments or services charges for the support of government activities. (2) The total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LIABILITY: Debt or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date.

LID: Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or services deemed to primarily benefit those properties.

MATURITIES: The dates on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

MILL: The property tax rate, which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

MITIGATION FEES: Contributions made by developers toward future improvements of city facilities resulting from the additional demand on the city's facilities generated from the development.

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash expect for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

NET REVENUE: The revenue of the system less the cost of maintenance and operation of the system.

NOTES TO THE FINANCIAL STATEMENTS: The disclosures required for a fair presentation of the financial statements of government in conformity with GAAP and not included on the face of the financial statements themselves.

OBJECT: As used in expenditure classification, this term applies to the type of item purchased or the service obtained (as distinguished from the results obtained from expenditures).

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A statute or regulation enacted by City Council.

OTHER SERVICES AND CHARGES: A basic classification for services, other than personnel services, which are needed by the City. This items includes professional services, communication, travel, advertising, training, dues and subscriptions, printing, equipment rental and costs (ER&R), insurance, public utility services, repairs and maintenance.

PARITY BOND: Any and all sewer revenue bonds of the City the payment of which, both principal and interest, constitutes a lien and charge upon the revenue of the system and upon assessments equal in rank with the lien and charge on such revenue of the system and assessments for payments required to pay and secure the payment of the bonds.

PERS: Public Employees Retirement System provided for, other than Police and Fire, by the State of Washington.

PERSONNEL BENEFITS: Those benefits paid by the City as part of the conditions of employment. Examples include insurance & retirement benefits.

PERSONNEL COSTS: Costs that include all salaries, wages, and benefits for all part-time, full-time, seasonal and temporary employee costs.

PROCLAMATION: An official act by the Mayor or Executive Officer made through a public forum.

PROGRAM: A specific and distinguishable unit of work or service performed.

PROGRAM ENHANCEMENT: Programs, activities or personnel requested to improve or add to the current baseline services.

PROGRAM MEASURES: A unit of standard used for the quantitative comparison in the manner of functioning to capacity or quantity as determined.

PROGRAM REVENUE: These are revenues that are produced as a result of an activity of a program and are subject to quantity of services provided to the public or governmental units (i.e. permits, charges for fire services, recreational activities), or revenues dedicated to a specific use (i.e. grants, taxes or debt funds).

PROPRIETARY FUND TYPES: Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position and changes in financial position.

PUBLIC FACILITIES: The capital owned or operated by the City or other governmental entities.

PUBLIC WORKS TRUST FUNDS: (PWTF) Is a low-interest revolving loan fund which helps local governments finance critical public works needs. To be eligible for trust fund financing, the applicant must be a local government entity, with a long-term plan for financing public works needs. If the applicant is a city or county, it must be imposing the options one-quarter percent real estate excise tax for capital purposes. Eligible projects include streets and roads, bridges, storm sewers, sanitary sewers, and water systems. Loans will only be made for the purpose of repair, replacement, reconstruction, or improvement of existing eligible public works systems to meet current standards and to adequately serve the needs of the existing populations. New capital improvement projects are not eligible. The maximum loan amount has been seven million with a minimum local match of ten percent. Interest rates vary from one-half to three percent, depending on the match.

RCW: Revised Code of Washington. Laws of the State of Washington enacted by the State Legislature.

REET: (Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

RESERVE: An account used to indicate that a portion of fund equity is legally restricted for a specific purpose.

RESOLUTION: A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers, and beginning fund balances.

REVENUE: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income and miscellaneous revenue.

REVENUE BONDS: Bond issue pledging future revenues, usually water, sewer or drainage charges, to cover debt payments.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period, typically, a future fiscal year.

STP: Surface Transportation Program.

STPE: Surface Transportation Program – Enhancement.

STPH: Surface Transportation Program – Hazard Elimination.

STPUS: Surface Transportation Program – Urban Small.

SALARIES AND WAGES: Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts.

SERVICE MEASURES: Specific quantitative measures of work performed within an activity or program (e.g., total miles of street cleaned). Also, a specific quantitative measure of results obtained through a program or activity (e.g., reduced incidence of vandalism due to new street lighting program).

SINGLE AUDIT: An audit performed in accordance with the Single Audit Act of

1984 and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies.

SINKING FUND ACCOUNT: An account created in the bond fund to amortize the principal of term bonds.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties from earnings of enterprise funds. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

SPECIAL REVENUE FUND: A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditure or specified purposes.

SUPPLEMENTAL APPROPRIATION: An appropriation approved by the Council after the initial budget appropriation.

SUPPLIES: A basic classification of expenditures for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory or resale items, and small tools and equipment.

SURETY BOND: Any letter of credit, insurance policy, surety bond or other equivalent credit facility or any combination thereof issued to the City to satisfy all or part of the amount required to be maintained in the Reserve Account to make such payment of principal and

interest as the same become due at maturity or on any mandatory redemption date.

TIA: Transportation Improvement Account.

TAX: Charge levied by a government to finance services performed for the common benefit.

TAX ANTICIPATION NOTES: (TANS) Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically by school districts).

TAX LEVY ORDINANCE: An ordinance through which taxes are levied.

TAX RATE LIMIT: The maximum legal rate at which a municipality may levy a tax. The limit may apply to taxes raised for a particular purpose or for general purposes.

TERM BONDS: Any parity bonds designated by the Council as “term bonds” pursuant to an ordinance which authorizes the issuance of parity bonds and provides for mandatory payments into a sinking fund account established for the term bonds so designated and provides for mandatory redemption of such term bonds from such sinking fund account.

THIRTEENTH MONTH: This is the month (January) following the end of the fiscal year in which prior expenditures shall be charged against the prior year’s budget. This is a budgetary provision in state law (35A.33.150 RCW). It requires cities to charge the previous budget for items purchased before yearend, but not yet invoiced to the city up to the twentieth day in January. This provision is similar to

accounts payable accruals in the private business community.

TRANSPORTATION IMPROVEMENT ACCOUNT (TIA): Provides funding for transportation projects through two urban programs. Urban projects must be attributable to congestion caused by economic growth. They must be consistent with state, regional and local selection processes. The TIB requires multi-agency planning and coordination and public/private cooperation to further the goal of achieving a balanced transportation system in Washington State.

TRANSPORTATION IMPROVEMENT BOARD (TIB): The purpose of the TIB is to administer funding for local governments for transportation projects. This is accomplished through the Transportation Improvement Account Program and the Urban Arterial Trust Account Program. Revenues are from the state fuel tax, local matching funds, and private sector contributions.

TRUST FUND: Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, and/or other funds.

UATA: Urban Arterial Trust Account.

UTILITY LOCAL IMPROVEMENT DISTRICTS: (ULID) Created only for improvements to sewer, water, and other utilities and differs from a LID in that all assessment revenues must be pledged for payment of debt service of bonds issued to finance the improvements.

WAC: Washington Administrative Code.

WARRANT: An order drawn by a municipal officer(s) directing the treasurer of the municipality to pay a specified amount to the bearer, either after the current or some future date.

YIELD: The rate earned on an investment based on the price paid for the investment, the interest earned during the period, held and the selling price or redemption value of the investment.